

Government That Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

JEFFERSON TOWNSHIP SCHOOL DISTRICT

CHRISTINE TODD WHITMAN
Governor

ROLAND M. MACHOLD
State Treasurer

JANUARY, 2001



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Jefferson Township School District

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the district but do represent the cost of the school system's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective negotiation process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
JEFFERSON TOWNSHIP SCHOOL DISTRICT**

The Local Government Budget Review (LGBR) unit of the New Jersey Department of Treasury conducted an extensive study of the Jefferson Township School District in response to a request of the board of education. Some 30 areas were reviewed resulting in recommended cost savings, commendations and/or managerial reform. Several areas and numerous activities were recognized as best practices, along with other commendations cited in the findings. The following is an executive summary of the findings and recommendations and dollar savings, as appropriate:

Comparative Analyses

Three comparable school districts were selected for statistical data to make many of the recommendations contained in this report. Information from other bench marking sources, such as NJ Department of Education publications, was also utilized. The comparison shows that the Jefferson Township School District per pupil costs were below average.

Technology

The new superintendent has taken a major role in improving technology. The review team commends district officials for the significant technology enhancements, which are either planned or recently implemented.

The analysis of the district's photocopy costs indicates that utilizing the state cost per copy contract could save \$58,390.

Instruction

District officials should consider reducing six special education teacher assistants, i.e., instructional aide positions, for a cost saving of \$120,000. Also, Jefferson Township could yield revenue enhancement of \$173,375 by filling on a tuition basis empty seats in special education self-contained classes with 10 special education students from other districts.

District officials should consider reducing one Child Study Team (CST) member for an annual saving of \$40,000.

The district is commended for participation and leadership in the Northwest Consortium for Staff Development.

Business Office Operation

Since surplus balances have fluctuated significantly in relation to estimates from year to year, district officials should develop a policy statement on surplus and institute procedures that will result in more accurate annual estimates of budget expenditures and surplus balances.

District officials should consider developing purchasing policies and procedures that address key aspects of the purchasing process. The review team commends the new business administrator

for finding lower cost alternatives for purchasing paper at cost saving of \$16,688. However, district officials should consider expanding the cooperative purchasing effort to include school supplies for anticipated annual savings of \$85,716.

As a part of the technology upgrades, district officials should consider installing a networking system in central office and purchasing a combination financial/personnel software package.

The district should consider sharing a grant writer with a nearby district to research, identify and seek competitive grants for anticipated net revenue enhancement of \$40,000 to \$70,000.

Insurance

The review team commends the district for receiving competitive proposals each year for property, casualty and miscellaneous insurance for a cost reduction of \$10,223.

Facilities & Operations

District officials should examine the current costs of the contract and the services from the private management company to determine whether privatization is still cost effective for the district. Many of the services contained in the contract, such as custodial and right-to-know training, custodial supplies and equipment, etc., can now be obtained through county cooperatives.

As an integral part of any new contract or renewal of services, the vendor should be required to provide accurate accounting of equipment and custodial supplies.

District officials should also consider re-negotiating the contract with the private management company to eliminate the contracted secretarial services and utilize the transportation secretary part-time in operation and maintenance functions.

Transportation

The review team commends the district for the history of adaptive strategies that have been utilized to control transportation costs without sacrificing student safety or parental needs.

The review team concluded that the transportation office might be over-staffed. District officials should consider utilizing the transportation secretary part-time in that capacity, and the remaining time in operation and maintenance functions.

The district should consider charging a nominal annual fee of \$50 per student for transporting those who reside in areas under the mileage limit, and who are not eligible for free or reduced lunch, for revenue enhancement of \$42,500.

The district should conduct an annual assessment of hazardous areas to ascertain the continued need for safety busing.

Food Service

District officials should consider contracting out the food service operation with a private management company for eventual annual savings of \$448,307.

Collective Bargaining Issues

District officials are commended for negotiating the extension of the teachers' workday by 10 minutes over two years. There should be follow-up to assure that the instructional day for students is also extended in the respective schools.

Since the Jefferson Township Bachelor's and Master's degree minimum salaries are \$4,700 to \$7,200 respectively below the average of the three comparison districts, school officials should place priority upon negotiating an increase in the beginning steps of the teachers' salary guide.

District officials are commended for negotiating a CAP on individual payments to supervisors for unused sick leave. District officials should consider negotiating a \$15,000 CAP on unused sick leave payments to teachers for potential cost savings of \$32,661 and for administrators for \$44,303 in potential saving.

District officials are commended for limiting, effective July 1, 1997, the accumulation of vacation days for administrators.

Health Insurance

District officials should consider negotiating for employees to pay 25% of the cost of health insurance for dependents, which would result in potential cost savings of \$312,000, and for employees to pay half of the cost of dental insurance coverage for potential savings of \$157,049.

Shared Services

Since the operation of sewage plants is a somewhat expensive and common endeavor, township and school officials should consider exploring any potential cost savings through cooperative arrangements for operating the four sewage plants in the two public entities.

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE JEFFERSON TOWNSHIP SCHOOL DISTRICT**

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Technology			
Use the state's cost-per-copy contract for photocopying	\$58,390		\$58,390
Instruction			
Eliminate six special education aide positions	\$120,000		
Fill 10 empty seats in self-contained SE classes with out-of-district tuition students	\$173,375		
One less child study team member	\$40,000		\$333,375
Business Office Operation			
Expand cooperative purchasing to include school supplies	\$85,716		
Share a grant writer with another district and seek competitive grants	\$40,000		\$125,716
Transportation			
Charge nominal fees for courtesy busing	\$42,500		\$42,500
Food Service			
Contract out the food service with a private management firm	\$448,307		\$448,307
Collective Bargaining Issues			
<i>Education Association</i>			
\$15,000 CAP on unused sick leave payments to teachers		\$32,661	
<i>Administrators' Education Association Agreement</i>			
\$15,000 CAP on unused sick leave payments to administrators		\$44,303	
<i>Health Insurance</i>			
Employees to pay 25% of the cost of health insurance for dependents		\$312,000	

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE JEFFERSON TOWNSHIP SCHOOL DISTRICT**

<u>Areas Involving Monetary Recommendations</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Employees to pay 50% of the cost of dental insurance		\$157,049	
Total Recommended Savings	\$1,008,288	\$546,013	\$1,008,288
*\$546,013 not included in savings of \$1,008,288.			
Total Amount Raised for School Tax			\$18,747,780
Savings as a % of School Tax			5%
Total Budget			\$32,481,426
Savings as a % of Budget			3%
Total State Aid			\$13,195,611
Savings as a % of State Aid			8%

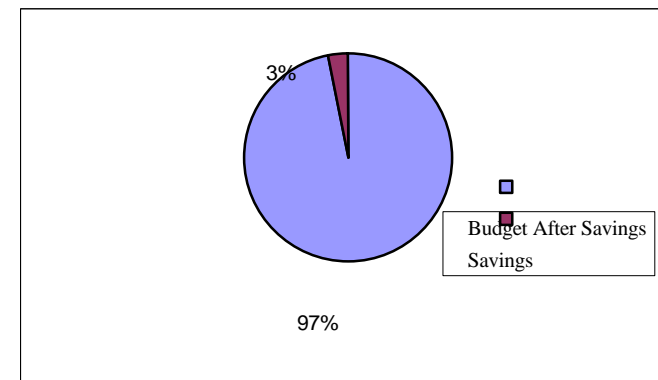
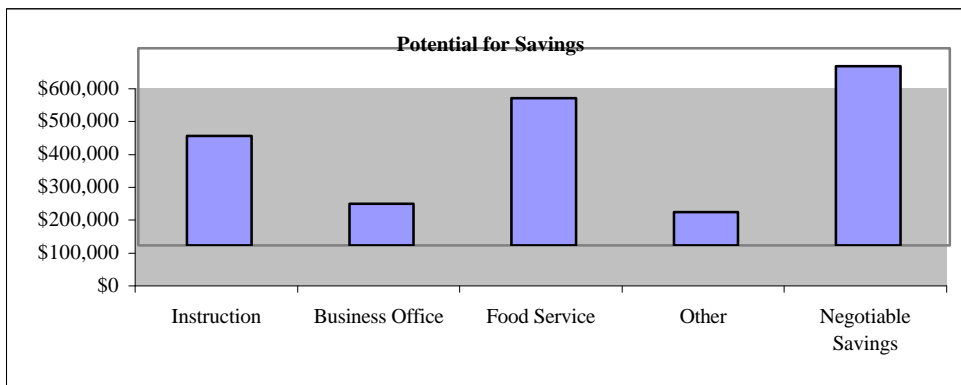


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COMMUNITY OVERVIEW

Jefferson Township was founded in 1804 and was described as having the shape of a “parallelogram.” The township, which covers about 43 square miles, is the third largest municipal geographic area in Morris County. Jefferson Township is located north of Interstate Route 80 about 45 miles west of New York City. The township, which is intersected in the western section by Route 15, runs east-west adjacent to the southern borderline of Sussex County and has many of the characteristics of the neighboring county. The Rockaway River flows down through the full length of the township. Lake Hopatcong and some smaller lakes around the Milton area are also located within the township.

The records are not definitive concerning the advent of schools in the community. However, when there are people determined to build a permanent residential environment, the education of their children becomes a need that must be addressed. It appears that residents began donating land for school buildings. Among the first of these in the early 1800’s were those in Milton, Berkshire, Longwood and Stockholm. Home instruction was still a widely used method for educating children in a number of localities due to the expense and time involved in sending children to school. In 1817, townships were mandated by the state to establish school districts with three trustees responsible for overseeing the governance of the respective schools. Free education as provided in today’s environment along with the state, county, and local levels of governance and regulation were in place by the late 1860’s. Many of the rigors of rural schooling embraced the students and staff of these early schools that were scattered around the township. As substantial changes evolved in the communities, the school system grew to its present status.

In the early 1900’s, the area was noted for its recreational facilities. Individuals from numerous locations came here to relax, fish and enjoy the camping or hotel facilities in the township. During World War II, there were many residents who went off to serve their country leaving numerous jobs unmanned. The women from the area capably filled the work opportunities until many of the men returned home. The township experienced some major population expansion during the 1950’s and 1960’s, and in 1964, the citizenry changed the form of government from a township council to a mayor-council.

The area still draws tourists and vacationers because of the waterways, “mountainous” terrain, and extensive camping grounds. Future growth of the township is anticipated due to the development of clusters of new home sites in or around the beautiful lakes and mountainous regions. The Morris County Mahlon Dickerson Reservation and Bowling Green Mountain, which are located in the central higher altitude areas, serve as natural dividers between the southeastern and northwestern portions of the township. The large geographic area of the school district and the physical division affects pupil transportation, communications among schools and citizen identification with specific communities or neighborhoods. The locations of the high school, middle school and the municipal facilities near the center of the township have enhanced citizen perceptions of district-wide cohesion and unity.

The community had a substantial population growth from 14,122 residents in 1970 to an estimated 18,481 in 1996. Previously, during the period 1960 to 1980 the population had tripled indicating that the community had moved from being a rural recreational destination to a rapidly growing residential area with moderately to high priced homes. The median family income as of 1989 was \$52,590 and the per capita income was \$19,810. With a population density of 438, in 1996 the township had 1,398 vacant parcels and 206 building permits were issued for privately owned housing. The 1990 median value of single family homes was \$161,200.

Most of the housing developments within the township have been relatively small with 12 to 25 homes. However, recently a major housing development for over 400 homes has been proposed. While that development has not come to fruition yet, it is expected to have a significant affect on school enrollments in the near future.

Originally the district contained the three elementary schools of Consolidated, Briggs and Milton with the high school students being sent out on a tuition basis to other school districts. Then the district built a high school and two elementary schools at the same time. Later a middle school was constructed and there were additions at later dates. In 1992, the district went from neighborhood K-5 schools to selected grade schools for K, grades 1 & 2 and grades 3-5 for each side of town.

Today, the central administrative offices, Arthur Stanlick Elementary School, Consolidated Elementary School, and Ellen T. Briggs Elementary School are in the southwestern sector. The Jefferson Middle and High Schools are situated in between the two major developed sections of the township and the remaining three elementary schools, Milton, Cozy Lake and White Rock, are in the northeastern section of the township. The local schools strive to provide the children and youth with a sound educational program focused on providing them with the tools necessary to meet the challenges of today's complex society.

According to the NJEA Research Bulletin A98-1/February, 1999, Basic Statistical Data, 1998 Edition, Jefferson Township School District had an equalized valuation per pupil of \$355,655, which ranked about the 35th percentile among K-12 school districts with 1,801 to 3,500 students. The professional staff members per 1,000 pupils were 78.8 compared to an average 87.8 staffing ratio for other districts. The Jefferson Township equalized school property tax rate was \$1.48, which was about the 50th percentile for similar districts. The New Jersey Department of Education (DOE) ranks the district in the "GH" category of District Factor Groups (DFG). This is the DOE indicator of the socioeconomic status of the citizens of the district.

I. BEST PRACTICES

A very important part of each Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those best practices recognized by the team for their cost and/or service delivery effectiveness.

The Jefferson Township School District has a student enrollment, which is large enough to permit cost-effective operations. With the construction of the high school and middle school in a relatively central location and by organizing the six elementary schools by grade levels near the respective population centers on each side of the township, district officials have endeavored to assure relatively efficient operation. Population growth within the township will provide the opportunity in the near future to consolidate the number of elementary school buildings for even more effective utilization of staff.

Within Jefferson Township, there are the usual differences of opinion about the level of funding for the local public schools and some individuals advocate additional moneys for specific program offerings and quality. Primarily due to low beginning salaries, the district has experienced some difficulty in recruiting, selecting and retaining professional staff, both instructional and administrative. However, for the purposes of this review it is quite obvious from the data presented in this report that the Jefferson Township School District is quite cost effective in comparison with other comparable school districts. Sections of the report provide recommendations for specific modifications in budgetary and spending allocations, purchasing practices, etc., which would make the district more efficient in terms of meeting identified unmet needs without significant additional cost. Nevertheless, **district officials are commended for the overall cost-effective manner in which the district is currently operated.**

Parent organizations have made significant contributions to the public schools in Jefferson Township. For the third year, the Milton Tri-School PTA held Saturday enrichment programs for 250 students and the parents provided the student transportation. Parent volunteers provided instruction on skills such as woodworking, calligraphy, etc., in the Middle School on four Saturdays. The PTA raises about \$25,000 annually with market days, book fairs, box top and magazine drives, etc., and provides school programs, such as assembly programs, field days, cultural activities, and planetarium. The PTA promotes parent education through literature and guest speakers and provides parent volunteers for selected activities as requested by school officials.

The Jefferson Consolidated PTA is very active in the three elementary schools, which are represented by parents living in the Lake Hopatcong or southwestern area of the township. Each classroom has been provided with a television and VCR. In addition, a digital video camera and digital cameras have been purchased. Money has been provided for programming, such as arts education in fourth grade. This PTA has a budget of over \$50,000 per year and raises money in the fall with wrapping paper and gift sales and in the spring with “tricky tray” ticket sales.

As indicated under the Shared Services section of this report, school district officials have a relatively good relationship with township officials. The school district uses the township garage for the maintenance and repair of school buses and other vehicles. The township uses the first five bays of the garage and the school district uses another three bays. The township has one mechanic and the school district has three mechanics. The Jefferson Township School District owns about 20 buses, two trucks, several tractors and mowers and a cafeteria delivery vehicle. By the joint use of the municipal garage, the Jefferson Township School District reportedly saves about \$72,000 annually in rental costs.

A grant for a project entitled “COPS in Schools” was obtained through a partnership agreement between the Jefferson Township Board of Education and the Jefferson Township Police Department. As the result of the grant, one police officer spends about 30 hours per week in the middle school and high school. With school and police administrators, teachers, parents and the school resource police officer working together, the police department hopes to provide early intervention into potential problems and build a safer and healthier environment for youth. In addition, the DARE program is offered in sixth grade in the middle school.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the school district and its taxpayers.

In its study, the review team found the district makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The district is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

COMPARATIVE ANALYSES

Many of the recommendations contained in this report are based upon comparative analyses using New Jersey Department of Education data in comparison with districts of similar size and demographics (socioeconomic district factor groups – DFG). The comparative data used in this report was compiled for the school year 1998-99, which was the most current data available to use for comparison purposes at the time of the review. Other data sources were obtained from district documents, various state agencies, state education associations, publications and private industry. School districts used for comparison with Jefferson include Cranford, Mt. Olive and Roxbury Townships. The following table, (Table 1), which is based upon the district's Comprehensive Annual Financial Report (CAFR), compares the revenue sources of the four comparable districts.

Table 1
Comparison of Revenues
Based on Audit Report as of June 30, 1999

Revenues	<u>Jefferson</u>		<u>Cranford</u>		<u>Mt. Olive</u>		<u>Roxbury</u>	
General Fund								
Local Tax Levy	\$18,495,102	56.9%	\$27,328,604	78.5%	\$25,348,928	57.9%	\$25,038,847	56.1%
State Aid	\$12,826,547	39.5%	\$4,291,072	12.3%	\$14,653,916	33.5%	\$16,085,280	36.0%
Federal Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$4,914	0.0%
Tuition	\$0	0.0%	\$1,319,855	3.8%	\$24,400	0.1%	\$1,676,814	3.8%
Interest on investments	\$75,573	0.2%	\$0	0.0%	\$216,405	0.5%		0.0%
Miscellaneous	\$32,615	0.1%	\$584,700	1.7%	\$266,768	0.6%	\$319,805	0.7%
Total General Fund	\$31,429,838	96.8%	\$33,524,231	96.3%	\$40,510,417	92.5%	\$43,125,660	96.6%
Special Revenue Fund								
State Aid	\$216,233	0.7%	\$465,488	1.3%	\$253,451	0.6%	\$221,254	0.5%
Federal Aid	\$413,885	1.3%	\$373,739	1.1%	\$550,929	1.3%	\$530,740	1.2%
Other	\$0	0.0%	\$91,968	0.3%	\$0	0.0%	\$583	0.0%
Total Revenue Fund	\$630,118	1.9%	\$931,195	2.7%	\$804,380	1.8%	\$752,577	1.7%
Debt Service Fund								
Local Tax Levy	\$252,678	0.8%	\$357,979	1.0%	\$325,506	0.7%	\$340,380	0.8%
Miscellaneous	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$131,293	0.3%
State Aid	\$152,831	0.5%	\$0	0.0%	\$433,297	1.0%	\$254,069	0.6%
Total Debt Service Fund	\$405,509	1.2%	\$357,979	1.0%	\$758,803	1.7%	\$725,742	1.6%
Fiduciary Fund								
Other	\$15,961	0.0%	\$9,067	0.0%	\$60,181	0.1%	\$24,297	0.1%
Total Fiduciary Fund	\$15,961	0.0%	\$9,067	0.0%	\$60,181	0.1%	\$24,297	0.1%
Capital Projects								
Interest on investments	\$0	0.0%	\$0	0.0%	\$1,645,928	3.8%	\$0	0.0%
Total Capital Projects	\$0	0.0%	\$0	0.0%	\$1,645,928	3.8%	\$0	0.0%

Total Revenues (All Funds) \$32,481,426 100% \$34,822,472 100% \$43,779,709 100% \$44,628,276 100%

Source: Districts' CAFR for the Fiscal Year ended June 30, 1999.

NOTE: State aid in the general fund contains non-budgeted revenue items of On Behalf Payment for TPAF Pension Contributions and Reimbursed TPAF Social Security Contributions. These non-budgeted revenues are offset by the general fund expenditure.

In each of the comparison districts, most of the revenue for the general fund comes from local property taxes. For the Jefferson Township School District, 56.9% of the general fund revenue comes from local taxes. The district also received state aid amounting to 39.5% of general fund revenue, which is the highest among the comparison districts.

The following table, (Table 2), illustrates data which compares general fund expenditures based upon the districts' CAFR.

Table 2
Comparison of General Fund Expenditures
for the Fiscal Year ended June 30, 1999

Actual	<u>Jefferson</u>		<u>Cranford</u>		<u>Mt. Olive</u>		<u>Roxbury</u>	
Regular Program - Instruction	\$12,433,931	39.8%	\$12,579,583	38.3%	\$14,295,743	35.4%	\$16,294,998	39.0%
Special Education	\$1,128,396	3.6%	\$2,640,005	8.0%	\$2,074,102	5.1%	\$1,648,802	3.9%
Basic Skills-Remedial	\$137,762	0.4%	\$98,999	0.3%	\$228,761	0.6%	\$469,633	1.1%
Bilingual Education	\$3,667	0.0%	\$42,316	0.1%	\$158,253	0.4%	\$155,093	0.4%
Sponsored Co-curricular Activity	\$148,346	0.5%	\$275,972	0.8%	\$156,831	0.4%	\$157,678	0.4%
Sponsored Athletics	\$360,640	1.2%	\$418,223	1.3%	\$530,100	1.3%	\$455,054	1.1%
Other Instruction Program		0.0%		0.0%	\$14,177	0.0%		0.0%
Community Services Program	\$37,500	0.1%	\$20,724	0.1%	\$81,022	0.2%		0.0%
Total Instructional Cost	\$14,250,241	45.6%	\$16,075,823	49.0%	\$17,538,989	43.5%	\$19,181,258	45.9%
Undistributed Expenses Instruction	\$1,495,213	4.8%	\$1,222,742	3.7%	\$1,900,670	4.7%	\$1,996,823	4.8%
General Administration	\$582,475	1.9%	\$656,480	2.0%	\$776,189	1.9%	\$945,048	2.3%
School Administration	\$1,439,681	4.6%	\$1,613,987	4.9%	\$1,581,273	3.9%	\$1,689,106	4.0%
Total Administration Cost	\$2,022,156	6.5%	\$2,270,467	6.9%	\$2,357,462	5.8%	\$2,634,154	6.3%
Food Service*	\$145,522	0.5%		0.0%	\$99,249	0.2%	\$121,000	0.3%
Health Service	\$408,446	1.3%	\$302,959	0.9%	\$404,830	1.0%	\$475,386	1.1%
Attendance & Social Work Service.		0.0%	\$17,641	0.1%	\$21,850	0.1%	\$110,647	0.3%
Other support Service-Student	\$1,681,859	5.4%	\$1,591,983	4.9%	\$1,936,457	4.8%	\$1,911,573	4.6%
Other Imp. of Instruction Service	\$159,494	0.5%	\$755,983	2.3%	\$795,565	2.0%	\$419,719	1.0%
Media Service/School Library	\$574,994	1.8%	\$331,748	1.0%	\$404,107	1.0%	\$647,106	1.5%
Instructional Staff Training Service	\$32,358	0.1%	\$38,899	0.1%	\$27,805	0.1%	\$59,461	0.1%
Operation of Plant	\$2,042,437	6.5%	\$2,554,586	7.8%	\$3,404,328	8.4%	\$3,136,435	7.5%
Allowable Main. For School Facilities	\$447,846	1.4%	\$402,071	1.2%	\$422,981	1.0%	\$569,161	1.4%
Business & Other Support Service	\$337,764	1.1%	\$476,803	1.5%	\$456,520	1.1%	\$466,161	1.1%
Total Unallocated Benefits	\$2,936,955	9.4%	\$2,840,826	8.7%	\$4,452,485	11.0%	\$4,486,227	10.7%
Total Support Services	\$8,767,676	28.0%	\$9,313,498	28.4%	\$12,426,177	30.8%	\$12,402,876	29.7%
TPAF Pension & Reimb. SS & Con.	\$890,387	2.8%	\$1,187,147	3.6%	\$976,066	2.4%	\$1,368,983	3.3%
Reimb. TPAF SS Contribution.	\$1,151,487	3.7%	\$1,270,250	3.9%	\$1,438,538	3.6%	\$1,589,457	3.8%
Transportation	\$2,139,467	6.8%	\$702,936	2.1%	\$2,171,287	5.4%	\$1,966,811	4.7%
Capital Outlay	\$559,223	1.8%	\$728,852	2.2%	\$1,526,259	3.8%	\$414,636	1.0%
Special Schools		0.0%	\$45,205	0.1%		0.0%	\$220,934	0.5%
Total Gen. Fund Expend.	\$31,275,851	100%	\$32,816,921	100%	\$40,335,448	100%	\$41,775,932	100%
Avg. Daily Enrollment	3,456		3,154		3,926		4,240	

Source: School districts' 1998-99 CAFR and NJDOE Comparative Spending Guide (2000)

*NOTE: Total General Fund expenditure includes fund transfer to cover food service deficit.

On the following page, Table 3 indicates the comparative per pupil costs for selected cost factors for the 1998-99 school year.

Table 3
Analysis of Similar Districts Using Per Pupil Expenditures or Staffing Data**

	<u>Jefferson</u>	<u>Cranford</u>	<u>Mt. Olive</u>	<u>Roxbury</u>
Total Cost Per Pupil**	\$7,309	\$8,769	\$8,271	\$8,038
Total Classroom Instruction	\$4,523	\$5,466	\$4,985	\$4,379
Classroom Salaries & Benefits	\$4,338	\$5,115	\$4,781	\$4,199
Classroom General Supplies & Textbooks	\$171	\$271	\$183	\$159
Classroom Purchased Services & Other	\$13	\$79	\$22	\$21
Total Support Services	\$1,007	\$1,087	\$1,073	\$852
Support Services Salaries & Benefits	\$916	\$988	\$970	\$758
Total Administrative Cost	\$761	\$951	\$808	\$701
Salaries & Benefits for Administration	\$606	\$765	\$631	\$537
Operation & Maintenance of Plant	\$774	\$1,015	\$1,054	\$874
Salaries & Benefits - Operation/Maintenance of Plant	\$412	\$666	\$547	\$538
Food Service	\$42	\$0	\$22	\$29
Extracurricular Cost	\$161	\$240	\$197	\$145
Equipment	\$50	\$141	\$242	\$66
Median Teacher Salary	\$47,340	\$49,161	\$53,195	\$54,389
Median Special Service Salary	\$58,300	\$50,334	\$62,128	\$64,539
Median Administrator Salary	\$86,219	\$85,355	\$92,230	\$89,953
Comp. of Bud. Gen. Fund Bal. vs. Actual (used) or Generated	\$474,672	\$230,000	\$200,000	\$0
Student/Teacher Ratio	14.8	13.0	14.0	13.9
Student/Special Service Ratio	94.6	94.2	96.0	85.5
Student/Administrator Ratio	198.5	136.0	186.4	219.4
Faculty/Administrator Ratio	15.6	11.9	15.3	18.3
Personal Service-Employee Benefits	14.8%	13.2%	16.9%	14.5%

Source: NJDOE Comparative Spending Guide (2000)

**The total cost per pupil is calculated as the total current expense budget plus certain special revenue funds, particularly early childhood programs, demonstrably effective programs, distance learning network costs and instructional supplement costs. The calculation does not include the local contribution to special revenue, tuition expenditures, interest payments on the lease purchase of buildings, transportation costs, residential costs and judgments against the school district. Also, excluded from this per pupil calculation are equipment purchases, facilities acquisition and construction services, expenditures funded by restricted local, state and federal grants, and debt service expenditures.

A comparison of Jefferson's per pupil costs with those of Cranford, Mt. Olive and Roxbury townships, based on the Comparative Spending Guide illustrates that overall Jefferson Township's public school costs in most categories ranked second from the lowest among the comparable schools. The total cost per pupil, classroom purchased services and other, operation and maintenance of plant (including salaries and benefits), median teachers' salary and equipment ranked the lowest, while the food service ranked the highest among the three comparable school districts.

In the 2000 Comparative Spending Guide, Jefferson is grouped with 76 K-12 districts with student enrollments of 1,801 to 3,500. Table 4 on the following page indicates Jefferson's rank in selected cost categories for the school years 1997-98, 1998-99 and 1999-00.

Table 4
Comparison of Jefferson Township School District to 76 School Districts

Ranked Low Cost to High Cost	1997-98		1998-99		1999-00	
	Actual	Ranking	Actual	Ranking	Budget	Ranking
Cost Per Pupil	\$7,023	12	\$7,309	16	\$7,456	10
Classroom Instruction	\$4,363	22	\$4,523	19	\$4,378	10
Classroom Salaries & Benefits	\$4,234	26	\$4,338	21	\$4,742	37
General Supplies & Textbook	\$115	1	\$171	22	\$203	39
Purchased Services & Other	\$14	13	\$13	11	\$14	8
Support Services	\$910	28	\$1,007	31	\$909	12
Support Serv. Salaries & Benefits	\$815	29	\$916	34	\$831	15
Total Administrative Cost	\$723	6	\$761	11	\$681	2
Salaries & Benefits for Admin.	\$552	5	\$606	10	\$504	1
Operations & Maintenance	\$801	22	\$774	21	\$728	10
Sal. & Benefits for Oper./Maint.	\$408	25	\$412	23	\$366	13
Food Service	\$40	29	\$42	28	\$43	33
Extracurricular Cost	\$156	16	\$161	18	\$144	7
Median Teacher Salary	\$47,540	27	\$47,340	25	\$51,000	39
Median Special Service Salary	\$54,280	36	\$58,300	48	\$53,500	29
Median Administrator Salary	\$82,510	30	\$86,219	38	\$88,657	41

Ranked High Ratio to Low

Student/Teacher Ratio	14.7	20	14.8	15	14.4	21
Student to /Special Service Ratio	96.3	33	94.6	35	80.9	58
Student/administrator Ratio	200.6	5	198.5	9	229.3	2
Faculty/Administrator Ratio	15.7	12	15.6	13	18.8	3

Source: 1999 & 2000 NJDOE Comparative Spending Guide
Total of 76 School Districts

Jefferson Township was compared to 76 school districts, grade K to 12, ranked low (1) to high (76), using the 1999 and 2000 Comparative Spending Guide published by the New Jersey State Department of Education. The cost per pupil for Jefferson Township School District was ranked 12th in 1997-98, 16th in 1998-99 and 10th (budget) in 1999-00. A ranking of above 38 would reflect a higher cost than the midpoint and a ranking of lower than 38 would reflect costs below the midpoint of the 76 districts. An examination of Table 4 reflects Jefferson's standing when compared with the 76 like enrollment/grade configuration districts.

The actual total cost per pupil in Jefferson Township for 1997-98 was \$7,023 and in 1998-99 the total cost per pupil was \$7,309, while the state average cost for K-12 schools was \$7,951 in 1997-98 and \$8,204 in 1998-99. Jefferson Township School District is below the state average cost for K-12 districts by 13.2% in 1997-98 and 12.25% in 1998-99. During these two years, Jefferson Township was ranked below the median in most cost categories.

Using the NJ School Report Card and the Comprehensive Annual Financial Report (CAFR), Table 5 provides additional comparative data, which is used in this report.

Table 5
Comparisons among Select Districts on General Characteristics

<u>Description</u>	<u>Jefferson</u>	<u>Cranford</u>	<u>Mt. Olive</u>	<u>Roxbury</u>
County	Morris	Union	Morris	Morris
District Type	II	II	II	II
Grades	K-12	K-12	K-12	K-12
District Factor Group	GH	GH	GH	GH
Certificated Employees	306	310	341	384
Other Employees	178	143	222	239
Total Employees	484	453	563	623
Square Miles	42	4.79	30.44	24
Number of Schools				
Elementary	6	3	3	5
Middle School	1	2	1	1
High School	1	1	1	1
Special Education	0	1	0	0
Total Schools	8	7	5	7
Average Student Enrollment (1998-99)*	3,456	3,154	3,926	4,240
Average % Student Attendance (1998-99)	93.50%	94.3%	94.6%	93.9%
Average Class Size (1998-99)	19	23	22	19
Student Mobility Rate (1998-99)	6.30%	1.6%	7.5%	4.0%
Faculty Attendance Rate				
1997-98	95.80%	97.8%	96.3%	97.7%
1998-99	95.0%	97.9%	96.3%	97.5%
Instructional Time	6 hr. 12 min.	5 hr. 33 min.	5 hr. 20 min.	5 hr. 20 min.
Years of Experience (1998-99)				
Administrators	24	29	30	25
Faculty	16	13	19	19
Revenue (1998-99)				
Local	62%	88%	61%	62%
State	37%	6%	31%	31%
Federal	1%	1%	1%	1%
Other	0%	5%	7%	6%
SAT Results (1998-99)				
Percent taking Test	73%	92%	84%	81%
Math Average score	521	524	520	550
Verbal Average	518	527	522	530
Post-Graduation Plans-Class of 1999				
4 Year College/University	51%	74%	50%	61%
2 Year College	31%	16%	31%	28%
Other College	2%	5%	0%	0%
Other Post-secondary School	0%	0%	0%	2%
Full-time Employment	12%	5%	16%	9%
Unemployed	0%	0%	0%	0%
Other	0%	0%	3%	0%
Unknown	4%	0%	0%	0%

*All data are from high school report card (1998-99) and CAFR(1998-99)

ADMINISTRATION

The Jefferson Township School District has a central office with a superintendent, assistant superintendent for instruction and a business administrator/board secretary. The director of special services is also housed in the central office building, which is located north of Route 80 in the Route 15 median in the western section of the township. Other positions in the business administrator functions are the coordinator of transportation, assistant to the transportation coordinator, a food service director, and the environmental services manager for custodial and maintenance services, who is an employee of a private firm.

There are 11 secretarial staff in central office, including:

- two confidential secretaries for the superintendent;
- one secretary for the assistant superintendent;
- four full-time (i.e., confidential secretary, office manager, purchasing/accounts payable and payroll clerk) and two part-time secretaries for the business administrator;
- two secretaries for the director of special services;
- one for the transportation coordinator; and
- one for the manager of environmental services (private contract).

The district has seven supervisors, or subject department chairpersons, who function primarily in the high school and middle school and act in an advisory capacity for grades K-5. They report to the respective school principals in grades 6-12 and to the assistant superintendent for grades K-5. All supervisors are K-12, except for the business education chairperson, who is also responsible for art, home economics, and industrial arts/technology in grades 6-12. Other positions include history, science, physical education/athletics, English, mathematics and world languages.

The district has a total of eight schools, including six elementary schools, one middle school for grades 6-8 and a high school for grades 9-12. Both the high school and the middle school have one vice-principal each. Three elementary schools are located on each side of the township with the following grade levels:

- Consolidated School (Kindergarten)-shared principal;
- Stanlick School (grades 1 and 2)-shared principal;
- Briggs School (grades 3-5)-principal;
- Milton School (kindergarten)-shared principal;
- Cozy Lake School (grades 1 and 2)-shared principal; and
- White Rock School (grades 3-5)-principal.

The district has a total of six principals, with two principals in charge of four relatively small elementary schools. The district has received DOE approval each year for the two situations where one principal administers two elementary schools.

The Jefferson Township School District reportedly generally has a history of reasonable stability in management, with many administrators remaining in the district for many years. However,

during the 1998-99 school year, Jefferson Township had a turbulent period of conflict, in which distrust and tension culminated particularly among the central office administrative staff and ultimately with the board of education. District officials also experienced the voter defeat by a margin of three to one of a large bond issue proposal for school construction. After a considerable amount of administrative conflict, the board contracted with a consultant to conduct a curricular audit, which identified a number of concerns about the status of the curriculum. Finally, the board decided to abolish the position of assistant superintendent. By the end of the school year, the superintendent, assistant superintendent, business administrator and most of the school principals and vice-principals accepted other positions, retired, or resigned. The board employed an interim superintendent, who began the process of replacing the administrative team. The new superintendent opened the 1999-00 school year with four interim school administrators and only two principals with any experience in the district. A new business administrator was employed in December, 1999, and a new assistant superintendent for instruction came on board in January, 2000. At the time of the review team visitation in April/May, 2000, the administrative team had been recruited and selected, with the exception of a high school vice-principal, who after two months of employment accepted a position in a neighboring community.

The district continues to have turnover within the supervisory staff, with several supervisors accepting employment elsewhere or retiring within the 1998-99 and 1999-00 school years. While the process of building communication and trust among employees and the community is an ongoing one, the review team has been favorably impressed with the quality of the management team, which has been recruited for the task. The budget development and presentation process resulted in a positive vote for the 2000-01 school budget. Efforts are well underway to focus the energies of staff and community through task forces and committees on the needs of the school district for more building space for a growing student population, for more adequate technology hardware and software in the schools and for upgrading and realigning the curriculum.

According to the DOE staffing level elements in the Comprehensive Plan for Educational Improvement and Financing, May, 1996, a high school of 900 or more should have a principal and two assistant principals. Reportedly, Jefferson Township has plans to add a second vice principal in 2000-01.

In the Comparative Spending Guide published annually by the New Jersey Department of Education, total administrative expenditures relate to the four areas of the annual school district budget statement—general administration, school administration, business and other support services (both business and central) and improvement of instruction services. The 1998-99 total administrative cost in the Jefferson Township School District was \$761 per pupil with a ranking of 11 out of 76 school districts (ranked low to high).

The comparable figures for total administrative cost for the four comparable districts are presented in the following table:

Total Administrative Cost – Selected K-12 Comparable Districts	1998-99 Actual Per Pupil* Cost	1998-99 % of Total Comparative Cost/Pupil**	1998-99 Ranking
Cranford Township	\$951	10.8%	41
Mount Olive Township	\$808	9.8%	31
Roxbury Township	\$701	8.7%	10
Three-district Average	\$820	9.8%	
Jefferson Township	\$761	10.4%	11

*Average Daily Enrollments (ADE) **Unaudited pupil count.

Administrative salaries and benefits include the full-time, part-time and prorated salaries of superintendents, assistant superintendents, and other general administrators, school business administrators/board secretaries, and other business and central office staff, principals, assistant principals, department chairpersons, supervisors of instruction, curriculum coordinators and related secretarial and clerical staff for these activities. Per pupil costs for salaries and benefits for administration in 1998-99 were \$606 and in 1999-00 the budgeted costs were \$504, which ranked the district 10th and 1st respectively of 76 school districts. The comparisons for the four districts are as follows:

Salaries & Benefits for Admin. – Selected K-12 Comparable Districts	1998-99 Actual Per Pupil Cost (ADE)*	1998-99 % of Total Comparative Cost/Pupil**	1998-99 Ranking
Cranford Township	\$765	8.7%	41
Mount Olive Township	\$631	7.6%	26
Roxbury Township	\$537	6.7%	7
Three-district Average	\$644	7.7%	
Jefferson Township	\$606	8.3%	10
Per pupil cost below three-district average	\$38		

*Average Daily Enrollment (ADE) **Unaudited pupil count.

An examination of salary levels indicates that Jefferson Township had a median administrative salary in 1998-99 of \$86,219 or \$2,927 lower, compared to the average of \$89,146 for the three comparable districts. The state median salary of administrative personnel was \$85,763 in 1998-99. The administrative experience statewide reportedly was 26 years, or two more years than Jefferson Township.

Employee benefits in Jefferson Township were 15.6% of total salaries compared with a 14.4% average for the three similar districts and a K-12 state median of 14.1%.

The review team also examined the Jefferson Township general administrative costs in relation to the three other comparable districts. An examination was conducted of the Jefferson Township, Cranford Township, Mt. Olive Township, and Roxbury Township Comprehensive Educational Improvement and Financing Act (CEIFA) function 230-Support Services, General

Administration account for fiscal year 1998-99. This function includes expenses associated with the board of education, central administration and school elections. The review revealed the following costs for fiscal year 1998-99 (based on the 6/30/99 Audit Report):

General Administration CEIFA Function 230	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township
	Morris Co.	Union Co.	Morris Co.	Morris Co.
Salaries	\$236,959	\$212,957	\$264,862	\$392,988
Legal Service	\$77,907	\$42,289	\$150,079	\$98,831
Purchase Prof. Education Service		\$18,925		
Other Purchased Prof. Service	\$41,533		\$36,345	\$85,241
Purchased Technical Service	\$42,994			
Communications/Telephone	\$90,639	\$163,921	\$165,751	\$163,895
Other Purchased Services	\$39,023	\$186,613	\$120,914	\$135,678
Supplies and Materials	\$7,644	\$12,120	\$7,448	\$19,820
Miscellaneous	\$45,776	\$19,656	\$30,790	\$48,595
Total	\$582,475	\$656,480	\$776,189	\$945,048
Per Pupil (ADE)* Costs	\$169	\$208	\$198	\$223

*The 1998-99 average daily enrollments for the districts were Jefferson Township - 3,456, Cranford Township - 3,154, Mount Olive Township - 3,926, and Roxbury Township - 4,240 pupils.

An analysis of this data reflects that the general administrative costs for Jefferson Township were \$582,475 as compared with \$656,480 for Cranford Township, \$776,189 for Mount Olive Township, and \$945,048 for Roxbury Township. Based on the 1998-99 function 230 budget category, the per pupil administrative costs for Jefferson Township were \$169 as compared with \$208 for Cranford Township, \$198 for Mount Olive Township, \$223 for Roxbury Township school districts with a three-district average of \$210. In this comparison, the Jefferson Township total general administrative per pupil cost was the lowest among the four districts. Jefferson Township's costs in communication/telephone, other purchased services and supplies were also recorded as the lowest of the comparative schools.

CEIFA Line 240-Support Service, School Administration

School Administration	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township
Salaries:				
Principals & Vice-Principals	\$808,237	\$1,062,969	\$740,572	\$1,199,469
Other Professional Staff			\$325,460	
Secretarial & Clerical	\$475,753	\$493,508	\$376,428	\$377,648
Purchased Prof. & Educational Services	\$101,734			
Other Purchased Services	\$24,796	\$22,728	\$54,464	\$49,519
Supplies & Materials	\$21,089	\$30,967	\$72,474	\$55,875
Other Objects	\$8,074	\$3,815	\$11,875	\$6,595
Total	\$1,439,681	\$1,613,987	\$1,581,273	\$1,689,106
Per Pupil (ADE) *Cost	\$417	\$512	\$403	\$398

*The 1998-99 average daily enrollments for the districts were Jefferson Township - 3,456, Cranford Township - 3,154, Mount Olive Township - 3,926 and Roxbury Township - 4,240 pupils.

As indicated above, Jefferson Township's per pupil costs associated with the overall administrative responsibility of individual schools, including the salaries of principals, assistant principals, other supervisory assistants and secretaries are the second lowest of the four districts. The three-district average of \$438 per pupil was \$21 higher than the \$417 Jefferson Township cost.

The review team also examined the amount of money spent on secretarial and clerical salaries in the 240, 223 and 221 line accounts.

Secretarial & Clerical	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township
School Administration	\$475,753	\$493,508	\$376,428	\$377,648
Improvement of Instruction	\$43,500	\$105,552	\$267,177	\$38,316
Total	\$519,253	\$599,060	\$643,605	\$415,964
Per Pupil (ADE)* Cost	\$150	\$190	\$164	\$98

*The 1998-99 average daily enrollments for the districts were Jefferson Township - 3,456, Cranford Township - 3,154, Mount Olive Township - 3,926 and Roxbury Township - 4,240 pupils.

Jefferson Township's secretarial and clerical salary costs were \$1 per pupil below the average of \$151 for the three other districts. The Jefferson cost for secretarial and clerical salaries was second lowest of the four respective school districts. It should be noted that this data does not include the salaries for the secretaries in the central office in any of the districts.

Business and Other Support Services (Line 290)

	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township
Salaries	\$305,130	\$362,132	\$410,747	\$307,381
Purchased Professional Services		\$34		
Purchased Tech. Services	\$6,194	\$16,521		\$15,888
Other Purchased Services	\$4,631	\$43,659	\$34,083	\$2,845
Supplies & Materials	\$8,321	\$20,858	\$10,430	\$11,567
Interest for Lease Purchase Agreements		\$30,002		\$128,287
Miscellaneous	\$13,489	\$3,597	\$1,260	\$193
Total	\$337,764	\$476,803	\$456,520	\$466,161
Per Pupil (ADE)* Cost	\$98	\$151	\$116	\$110

*The 1998-99 average daily enrollments for the districts were Jefferson Township - 3,456, Cranford Township - 3,154, Mount Olive Township - 3,926 and Roxbury Township - 4,240 pupils.

The Jefferson Township Business and Other Support Service per pupil cost of \$98 was \$28 less than the three-district average of \$126.

The review team examined the CEIFA Function 221 Improvement of Instruction Services. The detailed distribution of salaries among these accounts was not always consistent from district to district; therefore, the data for the four districts should be viewed with caution as supervisors' salaries may be listed under other categories:

Improvement of Instruction Services (Line 221)

	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township
Supervisors of Instruction-Salaries	\$113,696	\$596,650	\$439,931	\$271,472
Other Professional Staff		\$25,457	\$39,901	24,814
Secretarial & Clerical	\$43,500	\$105,552	\$267,177	\$38,316
Other Salaries				\$74,097
Purchased Prof. Educational Services		\$3,488		
Other Purchased Prof. & Technical Services		\$1,995		
Other Purchased Service		\$9,327	\$19,498	\$39
Supplies & Materials		\$9,701	\$20,380	\$6,551
Other Objects	\$2,298	\$3,814	\$8,678	\$4,430
Total	\$159,494	\$755,983	\$795,565	\$419,719
Per Pupil (ADE)* Cost	\$46	\$240	\$203	\$99

*The 1998-99 average daily enrollments for the districts were Jefferson Township - 3,456, Cranford Township - 3,154, Mount Olive Township - 3,926 and Roxbury Township - 4,240 pupils.

The review team has confirmed with local school officials that Jefferson Township School District placed the salaries of the seven department chairpersons (supervisors) into the high school teacher account. However, even when adding the prorated salaries of \$450,000 for seven supervisors, the district per pupil cost at \$163 was still 10% below the average of the three comparable districts.

The costs for administrative salaries and benefits are determined by the number of persons employed and the amount or level of salary and benefits provided by the district. As indicated earlier in the comparative analysis, in 1998-99 Jefferson Township had a student/administrator ratio of 198.5 students per administrator compared to an average of 180.6 students for the three similar districts and a K-12 New Jersey average of 171.7. Consequently, the review team must conclude that on the basis of these ratios the number of administrators in the Jefferson Township School District in 1998-99 was about 10% less than the respective per pupil benchmarks.

The following table summarizes the totals of the four CAFR accounts.

	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township
General Administration	\$582,475	\$656,480	\$776,189	\$945,048
School Administration	\$1,439,681	\$1,613,987	\$1,581,273	\$1,689,106
Business & Other Support	\$337,764	\$476,803	\$456,520	\$466,161
Improv. of Instruction	\$159,494	\$755,983	\$795,565	\$419,719
Total	\$2,519,414	\$3,503,253	\$3,609,547	\$3,520,034
Per Pupil (ADE)* Cost	\$729	\$1,111	\$919	\$830

*The 1998-99 average daily enrollments for the districts were Jefferson Township - 3,456, Cranford Township - 3,154, Mount Olive Township - 3,926 and Roxbury Township - 4,240 pupils.

Jefferson Township expended \$729 per pupil on all categories of administration, which was \$224, or 23.5% less than the \$953 three-district average. As previously noted, the Jefferson Township School District has placed the salaries of the seven department chairpersons (supervisors) into the high school teacher account. Even when adding the prorated salaries of \$450,000 for seven supervisors, the district per pupil cost at \$859 was still 9.9% below the average of \$953 for the three comparable districts.

According to the Comparative Spending Guide 2000, the Jefferson Township median administrator salary was \$86,219 in 1998-99 compared to an average median for the three comparable districts of \$89,179. It should be noted that in 1998-99 Jefferson Township had 24 median years of experience for administrators compared to an average of 28 years for the three comparable districts. With considerable turnover in the administrative staff, the two-year trend in median administrative salaries in Jefferson Township has increased 2.8% to \$88,657 in the 1999-00 budget year. Also, increases in student enrollments in Jefferson Township have impacted per pupil costs for administration.

Recommendation:

With continued growth in student enrollments, the administrative and supervisory and secretarial staffing adequacy should be evaluated periodically by local school officials.

TECHNOLOGY

Background

The team's initial review of the technology function found that the district is implementing major improvements in the 2000-01-budget year. For example, the average yearly amount appropriated for technology over the past three years (1997-98 through 1999-00) was \$233,000 excluding staff costs. In 2000-01, this amount increased by a factor of six, to \$1.4 million. The district funded this increase through a combination of lease/purchase agreement (\$1.0 million), budget appropriations (\$.2 million) and surplus funds (\$.2 million). Because of this significant development, the team focused on both the current operation and the planned improvements.

The district spends about \$324,000 per year to staff technology operations. This includes one technology coordinator, one technician and four certified teachers who provide computer instruction on a full-time basis. The coordinator and the technician handle almost all repairs and maintenance. Occasionally, they may send equipment out for repairs. The teachers are distributed as follows: one teacher is located at the high school, one at the middle school, one who teaches 3rd, 4th and 5th grades and one who teaches K, 1st and 2nd grades. Currently, the district has a low number of technicians, and in the next budget year, it plans to ask for two more. This will increase staffing costs by \$81,600, or about 25%.

The person coordinating these major improvements is the technology coordinator, a former math and science teacher, who has been teaching computers in the district for about 15 years. He recently (1998) received a certificate in Computer Networking from a well-respected computer institute. The coordinator obtained this certificate by attending class three nights per week for 18 months and passing the required tests. The district filled this key position after a competitive search both inside and outside the district.

The superintendent has taken a major role in improving technology. In this endeavor, he has utilized the district's technology plan, which was approved by state/county authorities in July 1999. Around October, 1999, the superintendent established a technology committee with 70 participants, including about 10 teachers, 10 administrators, and 50 people from the community representing business and community leaders. In addition, the district hired a consultant who is an expert in educational technology. This comprehensive planning and coordination effort involved individuals with specific expertise and combined this with broad support from the school district, local community and the board of education. This combination positions the district to develop an outstanding technology function.

The district is commended on completing a detailed and objective analysis of its technology needs and then gaining wide support from the community, teachers, administrators, and the

school board. This will help to ensure that the district establishes an effective technology function and uses tax dollars wisely. The district is also commended for its participation in the federal Universal Service Fund or Verizon's (formerly Bell Atlantic) Access New Jersey Program since the 1997-98 school year.

Current System and Planned Improvements

The district currently has one Wide Area Network (WAN) that connects the high school, middle school, grade schools and the administration building to the Internet. This network uses an ISDN telephone connection and a T1 line that can carry video. The connection to the Internet is from the high school to the Morris County Vocational and Technical School that serves as the district's Internet Service Provider. Access to district-wide e-mail is mostly limited to top level administrators.

The district also has four Local Area Networks (LANS), the high school, middle school and two LANS for grades 3, 4, and 5 at the Briggs and White Rock schools. The LANS enable the district to share files and printers. There are currently no LANS for grades K, 1st and 2nd, i.e., at the Milton, Cozy Lake, Consolidated, and Stanlick schools.

The district has a comprehensive and detailed inventory of every workstation, printer, and monitor in each classroom and the central office. Basically, classroom computers are mostly Apple but there are some IBM workstations and IBMs in the administrative function, including in some nurses' offices. Each grade school has one computer laboratory; the middle and high school each have two computer labs, a technology laboratory with Computer Assisted Design (CAD) programs and a media center. In grades K-5, there are some computers in some classrooms but they are mostly outdated except for kindergarten, which were updated last year. There are usually no computers in the classrooms in the middle and high schools except for the business classrooms.

The \$1.4 million for planned improvements are comprehensive and include all aspects of technology. Some of the highlights are:

- Computers in the grade schools will be updated, except those purchased last year.
- Computers will be provided for all classrooms in the middle school and the high school.
- The middle school and high school media centers will be updated.
- E-mail will be available to all teachers and staff.

A detailed distribution of about 93% of the \$1.4 million in technology improvements is shown in the table below.

200 Workstations	\$250,000
Installing Networks	230,000
300 Terminals	180,000
Video Distribution System (HS and MS only)	180,000
Cabling Systems	150,000
Software & Training	100,000
Network Electronics	75,000
Network Applications Software	75,000
Printers (62 incl. 2 color laser)	33,000
Total	\$1,273,000

The district has taken a major step forward toward upgrading technology. Based on the planning, coordination and staffing currently in place and proposed, the team believes that the district's technology function will be effective and meet the needs of students, teachers and administrators.

Photocopiers

The Jefferson Township School District owns and/or leases approximately 17 photocopiers within its nine facilities. Elementary schools have either one or two copiers each. The central office contains three copiers, the middle school has two copiers, and high school has four copiers. The district paid in excess of \$131,178 in photocopy copier costs in 1998-99. The district is continuously engaged in lease/purchase arrangements with vendors for procurement of photocopy equipment. The terms of the leasing agreements are varied. The district is paying monthly maintenance and leasing fees ranging from \$246 to \$768. The monthly fee includes parts and supplies for the equipment with the exception of paper and staples. When a lease expires, the district can purchase the copier for a dollar and pay for the monthly maintenance cost. The average age of the copiers is between five to six years old with the exception of three photocopiers that are over 10 years old.

Available detailed costs and usage associated with the district's copiers in the 1998-99 school year were analyzed. Based upon this review, it appears that the copiers procured by the district exceed its copying requirements. Five of the copiers have capacities of up to 85,000 copies per month, yet the district only uses 4,200 to 18,600 copies on those copiers. One copier has capacity of up to 300,000 copies per month, yet the district only uses 150,000 copies. The total volume of all copiers averages about 607,323 copies per month.

The State of New Jersey has in place a cost per copy contract, which is available for school districts' use, whereby, the customer contracts for photocopies, not photocopiers. The contract is awarded to various primary and secondary vendors throughout the state, based upon the anticipated number of monthly copies required, and is intended for copiers making, on average, less than 100,000 copies per month. Under this arrangement, the vendor provides the customer agency with a photocopier for its use. The agency or school district does not rent, lease or buy the photocopier, but actually purchases only the photocopies. All equipment, parts and supplies, with the exception of paper and staples, are included in the monthly fee.

The following table contains a comparative analysis of costs paid in the 1998-99 school year for the 17 copiers (which includes lease/purchase and/or maintenance payments and meter charges) vs. estimated costs available through the cost per copy contract:

Jefferson Township School District Photocopy Cost							State Contract Photocopy Cost				
Model	Capacity	Number of Copies	Maint. Per Month	Lease Per Month	Total Cost	(I) Cost Per Copy	Seg.	Basic Charge	(II) Per Copy Charge	Cost Savings Per Copy (I) - (II)	Total Savings Per Month
MITA DC4040		5,417	\$81.25	\$336.00	\$417.25	\$0.0840	2	\$66.83	\$0.0194	\$0.0647	\$350.19
Pitney Bowes C500	85,000	4,200	\$546.58	\$393.60	\$940.18	\$0.2239	2	\$66.83	\$0.0194	\$0.2045	\$858.78
MITA DC4555		7,000	\$91.00	\$0.00	\$91.00	\$0.0130	2	\$66.83	\$0.0194	-\$0.0064	-\$44.66
MITA DC5555	85,000	18,600	\$180.00	\$246.00	\$426.00	\$0.0229	3	\$99.00	\$0.0132	\$0.0097	\$180.48
Pitney Bowes C500		4,200	\$473.58	\$295.20	\$768.78	\$0.1830	2	\$66.83	\$0.0194	\$0.1637	\$687.38
MITA-DC9285	300,000	150,000	\$1,500.00	\$0.00	\$1,500.00	\$0.0100	8	\$768.00	\$0.0128	-\$0.0028	-\$420.00
MITA DC-2105		1,100	\$198.00	\$639.75	\$837.75	\$0.7616	1	\$23.80	\$0.0238	\$0.7378	\$811.57
MITA DC-2105		16,000	\$288.00	\$767.72	\$1,055.72	\$0.0660	4	\$154.80	\$0.0129	\$0.0531	\$849.32
MITA DC-1205		1,300	\$36.40	\$0.00	\$36.40	\$0.0280	1	\$23.80	\$0.0238	\$0.0042	\$5.46
MITA DC6090		85,000	\$850.00	\$403.20	\$1,253.20	\$0.0147	7	\$448.80	\$0.0112	\$0.0035	\$299.50
MITA DC80195		63,350	\$633.50	\$403.20	\$1,036.70	\$0.0164	6	\$294.00	\$0.0098	\$0.0066	\$415.87
MITA DC4685		29,000	\$290.00	\$292.57	\$582.57	\$0.0201	5	\$278.00	\$0.0139	\$0.0062	\$179.47
Pitney Bowes C500	85,000	3,350	\$436.20	\$295.20	\$731.40	\$0.2183	1	\$23.80	\$0.0238	\$0.1945	\$651.67
Kodak225S		27,106	\$345.00	\$0.00	\$345.00	\$0.0197	5	\$278.00	\$0.0139	\$0.0058	\$157.97
Kodak 90E	50,000	21,700	\$152.00	\$0.00	\$152.00	\$0.0140	5	\$278.00	\$0.0139	\$0.0001	\$2.27
MITA DC-6090		85,000	\$977.50	\$403.20	\$1,380.70	\$0.0162	7	\$448.80	\$0.0112	\$0.0050	\$427.00
MITA DC-8095		85,000	\$977.50	\$403.20	\$1,380.70	\$0.0162	7	\$448.80	\$0.0112	\$0.0050	\$427.00
Total		607,323	\$8,057	\$4,879	\$12,935					\$1.4552	\$5,839.27

Based on the above table, the district pays more for copies when they rent or lease the copier than they do for copies made by the district owned copiers. However, the state cost per copy contract is still less expensive for the photocopies.

Recommendations:

Selection of the model and number of copiers needed should be based upon anticipated usage. The district should determine its anticipated photocopy needs, and take steps to right size the equipment to meet those needs. Based upon the volume and number of users, a correct number of photocopiers with appropriate capacities should be determined and maintained. As copiers need replacement, the district should first look to reassign under-utilized copiers to meet this need, rather than entering into further costly lease/purchase arrangements.

The district should consider utilizing the state's cost per copy contract. Based upon 1998-99 costs, minimally, the cost per copy potential savings is \$5,839 for each month or a total of \$58,390 for a year.

Cost Savings: \$58,390

INSTRUCTION

The Jefferson Township School District has a total of six schools for grades K-5 with three elementary schools on each side of the community. On the southwestern side of the township, the Consolidated School has kindergarten children, Arthur Stanlick School has grades 1 and 2 and the Ellen T. Briggs School holds grades 3-5. On the northeastern side of the township, the Milton School has pre-kindergarten, kindergarten and pre-first grade, the Cozy Lake School has grades 1 and 2 and the White Rock School has grades 3-5. The school district has Jefferson Middle School for grades 6-8 and Jefferson High School for grades 9-12.

The school district has three PTA organizations, the Milton Tri-School PTA for the northeastern section, the Jefferson Consolidated PTA on the southwestern section and the Jefferson Township Middle School PTA, which hold monthly meetings. Other organizations include the Music Boosters, the Athletic Boosters and the Special Needs Advocate Parents.

Consolidated School

The school is located on Route 181 on an 11-acre site. The school was built in 1950 with a capacity of 114 students and currently has an enrollment of 90 kindergarten students. Kindergarten classes are held in half-day sessions and the kindergarten classrooms do not have in-room toilet facilities, which necessitates having aides to assist in escorting children to the restrooms. This one-story building has 10 classroom areas and three of the rooms are used for regular classrooms. One room is the media center and another room is designated as an activity room. Three other rooms house the computer lab, the child study team and speech specialist, and the Title 1 program. There is a multi-purpose room and there are rooms for the nurse's suite, the main office and a faculty room for the staff.

The school has five teachers and a full-time nurse, plus several specialists who serve on a part-time basis. The school has a handbook for the edification of the staff relative to the various items or issues to be addressed during the school year. The child study team (CST) serving the three elementary schools in this area is housed at this site. The student assistance counselor works between Stanlick and this school two days per week. The building principal is shared with Stanlick School.

A privately operated day care center, which begins with pre-school morning and afternoon sessions and provides post-school activities, is also housed in one of the rooms at this school. The school is also used in the afternoons and early evenings for community programs.

The Title 1 program has an extended day kindergarten with 15 children enrolled. Two aides assist the teacher and there are three computers in the Title 1 classroom. Four ESL students attend the school.

The computer lab teacher spends a week at the school during each marking period to provide instruction for staff and students. This intensive instructional activity is geared toward teaching

the kindergarten teachers, who in turn can work with students. The school has a total of 30 computers. There are 16 computers in the computer laboratory, 12 in individual classrooms, as well as one each in the principal's and the nurse's offices.

The school has shown a decline in enrollment in three of the school years since 1994-95. There has been discussion that the building might be converted for use as the central administrative office. This would constitute a cost saving for the district by eliminating the current rental fee for central offices. Such an action would necessitate construction of additional building space and moving the kindergarten classes and staff members to another school.

There are two photocopy machines in use in the building. The MITA machine used for small projects of 25 copies or less is located in the teachers' room and in the heaviest periods turns out about 10,000 copies. The Risograph copier, which is used for larger projects of 25 or more copies, handles about 15,000 copies during the busier periods.

The principal identified the following recent activities to either save the school money or enhance revenue sources:

- Bulk purchasing of school supplies - \$720.
- Bulk ordering of copier paper - \$379.
- Office supplies with Staples card generated savings of - \$150.
- PTA donations for special programming - \$1,500.
- Additionally, the PTA has donated televisions for use in classrooms and has raised additional funds for various school needs over the years.

Arthur Stanlick Elementary School

The school with a listed capacity of 271 was built in 1962 and an addition was added in 1972. The school's enrollment reportedly has reached as high as 300 students; however, the 1999-00 enrollment was 288 students, which was in excess of capacity resulting in a somewhat crowded facility. A talented student teacher assigned to the school decorated one of the hallways with an attractive wall mural.

The school's staff includes: the principal, who is shared with Consolidated School, a secretary, the nurse, a part-time media specialist, six each regular first and second grade teachers, two pre-first grade teachers, three special education teachers, and three full-time and two AM Basic Skills (BSIP) teachers. Additionally, there are 10 aides, one day and one night custodian, a maintenance man who is shared with two other schools, three cafeteria staff, an occupational therapist two days per week and 11 specialists who also serve the school on either a full or part-time basis. During the team's visit, the school's staff appeared to be very focused on serving the student population.

Students are transported by 15 buses and are loaded onto their respective buses in 21 to 25 minutes at the end of the school day. The buses serve each of the three elementary schools in the area and systematically rotate the pickups.

- ❖ The school was very nicely decorated for “Theme Days” with the “Magic Ride” as the current theme. Classrooms and hallways were being used to highlight this particular theme. The event was the result of considerable planning by both staff and students. Attractive relevant displays and art works were achieved through the integration of the selected theme and the curriculum to enhance the regular instructional program for the improvement of student learning. Theme Day has been featured on local television and in an article appearing in the November/December issue of the New Jersey School Boards Association magazine School Leader.

The BSIP math program had 41 students being instructed by one teacher and BSIP reading reported 31 students being served by two teachers. ESL service was being provided to three students. Guidance services were shared for one or two days a month with Consolidated School. The school also serves a special education population. The speech program operates with one or two students being pulled out for service at a time.

The media center has a specialist for two and a half days a week, while for the rest of the week her services are shared with Cozy Lake School. There are 49 computers in the school with 25 of them in the computer lab, 18 in classrooms, three in the media center and the others in the administrative and nurse’s offices. The computer teacher is assigned to the school for two and a half days per week and, when possible, repairs the school’s computers. The district has only one world language teacher who schedules her time to cover the various schools.

There are two photocopiers in the school. One copier is leased and the district owns the other machine. The leased copier turns out about 41,000 copies annually.

Lunch is served in two sections by grade and a teacher and two aides supervise each lunch period. When the students in one grade are eating, the other grade has recreation and then they rotate. The lunchroom seats 250 and the two sections are fed within an hour.

The 1998-99 NJ School Report Card indicates that:

- Student enrollment was 251 in 1994-95. It increased in the next year while for the next two years enrollment dropped slightly before rising to a new high of 298 in 1998-99, which is in excess of the building capacity of 271.
- The average class size has been under the state level, but closing, for the last three school years. In 1998-99, the Stanlick school average class size was 21.0 compared to a state rate of 21.6.
- The student/faculty ratio at 14.8:1 has consistently been above the state average of 13.7:1 for 1998-99.

The administration has endeavored to provide the staff and the parents with sufficient information to understand the school’s offerings and general functioning through the distribution of both district and school publications. The school has a wide range of programs and activities

directed at stimulating parental involvement and showcasing student and staff achievements. The school offers family mathematics in the evenings conducted by two teachers. Math manipulative training sessions are held on four evenings.

Recently, one parent questioned the air quality in the school, stating that dampness and mold was not good for the children and others in the building. It should be noted that district officials contacted a private firm to conduct a field survey and examine the buildings for identification of any problems and the specification of solutions. A report was submitted at a board of education meeting in April, 2000.

The principal reported several recent efforts that have produced cost savings or revenue enhancements for the school:

- The leading source of donations in both money and services has been the PTA. Some time ago they furnished at least half the money (\$2,200) to put in playground equipment. They have also provided money to purchase televisions with VCR hookup and installation brackets for four classrooms.
- Bulk ordering of materials and supplies has saved approximately \$1,035.
- Reduction in the cost of copy paper purchases has saved \$273.
- Utilization of a local vendor for office supplies has saved \$500.
- PTA donations for funding special programming has brought in about \$3,500.

Ellen T. Briggs Elementary School

At the time of the review team visitation, the principal had been employed for only a couple of months, having been recruited from a nearby community. This elementary school serves 371 students in grades three, four and five. Each grade level has six classes with about 20 to 21 students each. Of the 26 classroom-size rooms in the building, 18 are used for regular classrooms, and eight are used for special subjects and other purposes, including, music, library, computer laboratory, basic skills, remedial reading, resource rooms, occupational therapy, speech, etc. In addition to the classroom and special teachers, the school is staffed with one principal, one secretary, one nurse, two instructional aides, two custodians (one assigned during the day and one in the evening) and one maintenance man, who is shared with Consolidated and Stanlick elementary schools. There are also three kitchen workers and five aides assigned to lunchroom and recess duties.

Modular classrooms were constructed off one end of the building. These classrooms were in use for fifth grade instruction, with the music room nearby. "Art on a cart" was offered throughout the school and there was a small room to store the art materials.

The school has an all-purpose room where physical education classes are held and lunch is served in three sittings, one for each grade level, between 11:30 a.m. and 1:05 p.m. Lunch aides and designated teachers supervise the cafeteria and playgrounds during the lunch periods. The room also has a stage where assemblies, large screen TV presentations, etc., can be held. The stage is also used for band equipment and cafeteria supplies storage. Storage space is in short supply throughout the building.

The grounds have a paved area with four basketball hoops and two fields for Little League baseball and softball, respectively. The playground area has four picnic tables, one slide and about eight swing sets. Risers had been set up in one of the courtyards for a music assembly program to be held outside in good weather.

The school has a computer laboratory with 24 computers and a computer teacher provides instruction four days a week. Most fourth and fifth grade classes have four computers within each classroom. A media specialist staffs the library for three days per week. Briggs and White Rock elementary schools share the services of one interdisciplinary resource teacher. Students in grades 3-5 who are selected on the basis of cognitive skills and academic achievement participate in one or two enrichment programs including Math Olympiad, Young Astronauts, Junior Great Books Plus and Young Playwrights. District officials are considering expanding the program to two teachers in 2000-01.

Teachers arrive at 8:20 a.m. and supervise homerooms and the hallways from 8:30 a.m. until the last buses are unloaded about 20 to 25 minutes later. PAC meetings concerning students who have been referred for assistance are held in the morning at 8:25 a.m. The afternoon bus supervision begins at 2:57 p.m. and ends when the last wave of school buses leaves about 3:25 p.m. The collaborative team of teachers for each grade level meets once a week during dismissal time.

According to the NJ School Report Card, the student mobility rate was 7.4% in 1998-99, compared to a 15.5% state average. The number of students per faculty member for Briggs School was 14.4:1, while the state average was 13.7:1.

Milton Elementary School

Originally the school was built to accommodate grades kindergarten through fifth. However, with the rapid growth of student enrollment in the area, it was decided to operate this building as a kindergarten through pre-first grade school. The structure was built in 1956, with additions in 1962 and 1968. The stated pupil capacity is 224 and the school has an enrollment of 194 students, which is increasing. The kindergarten has 154 students now and 170 are registered for the next school year. One principal is responsible for the administration of both the Milton and Cozy Lake Elementary Schools, which are located in the northeastern section of the township. The principal was employed as an interim administrator in September, 1999, and received a full appointment in December.

As a pre-school through kindergarten school, there are four half day AM, four PM, two pre-school developmental, one full day pre-first grade, and one full day language learning development (LLD) class in the school. The basic skills program (BSIP) has a total of 15 students for the 1999-00 school year. There are no bilingual/ESL students enrolled at this school for the current school year. However, it is anticipated that there will be about five students having the need for these services in the next school year.

The school has a full time nurse, four and a half kindergarten, a Title I, pre-first, LLD and pre-school developmental teachers. There are 11 classroom aides on staff and a full complement of specialists to serve the needs of the student population.

There are 39 computers in the school. Three computers are located in the offices, 17 in the computer laboratory, three in each kindergarten class, one each in pre-first and LLD, and one in each section of the pre-school development classes. Computers are assigned as follows: one for every six or seven students in the regular classroom, one for every seven/eight for pre-school classes, and one per every eight students in the LLD class. The program strives to meet the basic needs for introduction of technology to the student population. However, these older and less powerful computers are unable to fully utilize new and updated software versions.

The separate wing once served as the board office and the white building adjacent to the school has been turned over to the township for use as a senior citizens facility. The school's kitchen is not operable, so food is brought in from the high school.

The NJ School Report Card reported the average class size was 19.0 for the 1998-99 school year. The principal stated that it has grown to about 22.0 for the 1999-00 school year, which is slightly above the state average of 21.6. The review team observed that the school has some symptoms of being crowded with some areas using carts to move materials from one instructional location to another in the building.

There is anticipated growth in population in the area as there are several new homes either planned or under construction. This will undoubtedly impact on both the Milton and Cozy Lake Schools' enrollment.

Cozy Lake Elementary School

The school was built in 1961 and an additional section comprised of modular units was added in 1993. The stated capacity for the school is 282 while currently there are 322 students, averaging approximately 22 per class. The school covers eight classes each for grades one and two with a self-contained language learning development class. With probable extensive new home expansion in the area, public schools potentially could have substantial enrollment increases. The effort to keep classes in the low twenties has not been easy and unless something is done this will create considerably crowded conditions. Currently, there are some specials that constantly have to use carts to take their materials from one available regular classroom space to another. The school has a lack of classroom, storage, office, conference, and teacher work areas. At times, the principal's office must be used for confidential teacher/parent conferences or other special occasions.

The librarian comes in three days a week and provides each class with 35-minute periods of related activities. When students are not using the computers in the media center, the teachers may use them for research to enhance their lessons and class activities. Most classrooms do not have computers, but there are 25 five to six year old Mac computers in the computer laboratory. The computer teacher provides 35-minute periods of instruction for each class during the week and whenever possible handles repairs. The office computer has Internet access.

Basic skills reading and math, plus remedial reading, are all held in the same room. The resource room teacher gives in-class support. BSIP reading has 21 first graders and 22 second graders. BSIP math has five students for the first grade and 33 for the second grade. Other students having the need for assistance with their math were served for short-term periods but were not enumerated in this count. Four other second grade students graduated from the program and two others transferred to the LLD program.

The school has one copier handling approximately 480,000 copies annually. The PTA also uses the machine and furnishes its own paper.

The New Jersey School Report Cards lists the following data:

- Enrollment increased from 288 in 1994-95 to 333 in 1997-98 and then decreased to 322 in the current school year.
- In 1997-98, the school's average class size slightly exceeded the state average. In 1998-99, the school's average class size declined to 20:1, which is slightly below the state average of 21:6.
- The student mobility rate at 4.0% is quite stable when compared with the state's 15.5%.

Students from the high school serve as older companions to special needs students at the school, which is a highly commendable activity.

White Rock Elementary School

The White Rock Elementary School was built in 1971 in the northeastern portion of Jefferson Township. The facility of 35,762 square feet contains two distinct buildings, or blocks A and B, which are connected by a glass-enclosed corridor. Block A is a single story structure that has special facilities, such as multipurpose room, kitchen, library/media, administrative offices, and classrooms. Block B is a two-story structure with about 18 classrooms. On the lower level one side of the loaded hallway, which is below grade on the side of a hill, is used for district-wide record and athletic equipment storage. The upper walls throughout the building have hand-painted decorative borders. The custodian, who had been assigned to the school since its opening and retired after 26 years of service, completed the work as a gift.

Thirty-nine certificated and 16 support persons staff the building. The building has a principal, a secretary, a part-time clerk typist, two custodians and a school nurse. The library/media specialist and the guidance counselor are in the building four days a week. Teachers arrive at 8:20 a.m. and sign out at 3:30 p.m. and have a half-hour for lunch, plus planning periods. The whole staff meets once a week each Tuesday afternoon and all grade level teachers meet during a scheduled period once a week for curriculum planning and coordinating purposes. Opportunities to expand teaching methods through professional development are provided through both in and out of district workshops. The principal, who has a background as a staff trainer, is also the facilitator of the district-wide mentoring program, which currently involves about 16 teachers.

The school has a functional capacity of 407 students and currently holds 492 students enrolled in grades three through five. The school has seven sections of each grade level occupying a total of 21 regular elementary classrooms. The school also has a music room, a self-contained special education room, resource rooms, a moderately small library/media center, etc. The enrollments on March, 2000, were as follows:

Grade	White Rock Class Enrollments	Total	Average Class Size
Three	23,21,25,24,24,24,23	164	23.4
Four	24,23,23,23,23,22,24	162	23.1
Five	23,21,24,23,23,24,22	160	22.9
LL*	6	6	6
Total		492	

*Language Learning Special Education Class

The student faculty ratio for 1998-99 was 17.2:1, which is well above the state average of 13.7:1. Crowding throughout the building is evident, with art, gifted and child study team members functioning from a cart that is rolled from room to room and dual uses by sharing the same room as follows:

- Library and computer laboratory.
- Basic skills instruction and speech.
- Grade three and four special education.
- Two grade five special education classes.
- Instrumental music occurs on the stage of the multipurpose room that is used for physical education and school lunch, which is served in three sittings of 162 to 168 students each.

The media center occupies less than half of its original space as the balance of the room is used for a computer laboratory. The 7,500 books occupy shelving, which takes up most of the remaining space necessitating the removal of student furniture. The center does not have access to a computer/electronic card catalogue.

There is a significant shortage of space throughout the building impacting functions such as physical therapy, special education testing, child study team meetings, and small group instruction, which indicates the need for additional instructional space. Student enrollments have increased from 439 in June, 1998, to 492 in April, 2000, with anticipated continued growth.

School buses arrive in the morning between 8:25 and 8:50 a.m. and leave in the afternoon from 2:55 to 3:20 p.m. From 7:00 a.m. to 6:00 p.m., the building also houses before and after school programs for students of the three elementary schools in the vicinity.

The school has a total of 82 instructional computers, with four computers in each 4th and 5th grade classroom and a computer laboratory with 25 computers. Classes are scheduled in the laboratory for instruction by a computer teacher and the classroom teacher. The 3rd grade classes

do not have computers at this time. The building has a T1 line and wiring in the building for access to the Internet. Reportedly, e-mail became accessible in 1999-00 to staff for the first time through the County Educational Technology Training Center (ETTC).

The staff continues to evaluate and modify the curriculum and corresponding assessment to align with the NJ Core Curriculum Content Standards. A world language program was introduced in 1999-00. All classes are supplemented by choral and instrumental music and art. For physical education, students have a walk/jog program twice a week with a physical education teacher and free and unstructured recess three days per week. Project Challenge for the gifted and Math Olympiad, Young Astronauts and Great Books programs provide enrichment activities.

The New Jersey 1998-99 School Report Card indicated the following:

- The enrollment has generally increased since 1994-95 to its current level.
- The average class size during the same period remained slightly above the state average. In the 1998-99 school year, the school was at 22.0 as opposed to the state's 21.6.
- Student/faculty ratio for the school was 17.2:1, while the state ratio was 13.7:1.
- The student/administrator ratio for the school was 452.0:1 compared to the state ratio of 330.0:1.

Instructional Time

In reviewing the NJ School Report Card data, the length of the school day and the amount of instructional time in the six elementary schools consistently indicated that Jefferson Township students were not receiving as much instructional time (minus 13 to 30 minutes) as the New Jersey average. However, it became apparent that principals had used differing interpretations and consequently some inconsistent data was submitted. District officials provided the review team with a corrected standard length of school day of six hours and 10 minutes compared to a state average of six hours and 21 minutes. The instructional time for the four elementary schools for grades 1-5 (Stanlick, Cozy Lake, Briggs, and White Rock) was identified as five hours and 35 minutes compared to a state average of five hours and 30 minutes. The instructional time for preschool and kindergarten schools (Consolidated and Milton) was five hours, with two sessions of 2.5 hours each. Kindergarten teacher lunches and preparation times are scheduled in the middle of the day.

In order to accommodate the multi-tier bus routes, Consolidated, Stanlick and Briggs Schools begin and end school five minutes later than their counterparts in the Milton area. The current transportation system, which schedules school buses in waves to deliver and pick up students at the three elementary schools on each side of the township, is a very efficient one in terms of transportation costs. However, there is considerable loss of potential instructional time both in the AM and PM at four of the six elementary schools. Elementary teachers are supervising partial classes of children for about 20 to 25 minutes each morning and afternoon while buses are traveling from school to school and loading and unloading. Devoting 45 minutes per day of each teacher's time to supervising children before and after school is a significant resource allocation.

Recommendation:

As the elementary school instructional day is impacted by new content requirements, such as the world languages program, school officials should consider re-examining the adequacy of instructional time for students in grades K-5. An evaluation of the impact of the transportation system upon teacher instructional contact time should also be considered.

The current negotiated agreement provided for increases in the teacher day by five minutes per year for two years. While district officials are commended for this accomplishment, it is important to assure that instructional time for students' increases accordingly.

It is also suggested that plans for future school construction may eventually alleviate the current elementary school transportation situation by concentrating elementary student populations through the location of school sites.

Jefferson Middle School

The Jefferson Township Middle School, which was originally constructed in 1970 with an addition in 1972, had a student capacity for 832 students and an enrollment of 840 in April, 2000. The middle school enrollment has increased steadily from 679 students in 1994-95 to 817 in 1998-99. The middle school is located on Weldon Road near the center of the school district on a 92.6-acre site, which is shared with the adjacent high school building. With a gross square footage of 81,260, the building is composed of four buildings with connecting glass-enclosed hallways. The three-station gymnasium and girls' and boys' locker rooms comprise one end of the structure. The front central section contains the administrative and guidance suites and the cafeteria, serving area/kitchen and six instructional rooms. The C wing, or the back central section, has a dozen classrooms for sixth graders. The fourth building has a library/media center in the center with hallways and classrooms around the perimeter. The home economics rooms, technology classrooms, five classrooms and the video production facility are located on the lower level of the school.

The school is staffed by a principal, vice principal, three guidance counselors, one SAC counselor, one school nurse, 60 teaching staff members and 24 support staff, including three secretaries, two classroom aides, one part-time library clerk, four custodians, one maintenance person, four lunchroom aides and nine cafeteria staff. Several staff members are shared with the adjacent high school. District supervisors, who work out of the high school, devote about 30% of their time to the middle school. They are helpful in curriculum development, interviewing teaching candidates for available positions and in supervision and evaluation of staff. The middle school has the services of a child study team composed of a full-time school psychologist and a part-time learning disability specialist and part-time social worker.

The school day begins at 7:45 a.m. and runs until 2:15 p.m. At the end of the regular school day, within about 15 minutes the students board 30 buses and depart for home. About 90% of the students are bused to and from the site. Access to a drop-off area has been designated behind the

school to control auto traffic flow, which could otherwise impede the bus transportation system. Students on detention remain in school from 2:35 p.m. until 3:05 p.m. The middle school administration has developed a security plan to protect the health and safety of students.

The school provides recognition to stimulate increased student achievement. Students can achieve “High Honors” with all A grades, “Honors” with all A grades and one B, and “Merit” for those students who earn a combination of A’s, B’s and one C. The school instituted a mid-marking period progress report to the parent/guardian to assist those students identified with potential academic difficulties. This extra report is available for those parents who request it. An interesting feature at the school is the practice of painting ceiling tile. Students who achieve very good conduct are provided the opportunity in art class to paint a ceiling tile with some item of interest ranging from a favorite sport’s team symbol to an artistic scene.

Parental involvement has been encouraged by an active PTA orientation for entering sixth grade parents, newsletters, and two separate sessions for back to school nights for sixth grade and seventh and eighth grade parents. The PTA has been instrumental in raising funds for school projects and in encouraging parental participation in chaperoning field and other class/school trips. The PTA also offers teachers the opportunity to apply for limited funds to supplement budgetary allocations to enhance classroom activities, equipment, etc.

According to the NJ School Report Card, the amount of time that the middle school is in session on a normal school day is six hours and 23 minutes, compared to a state average of six hours and 21 minutes. The instructional time for middle school students is five hours and 41 minutes, while the state average is five hours and 30 minutes. The number of students per faculty member for the middle school was 13.3:1, while the state student/faculty ratio was 13.7:1. The number of students per administrator was 409:1 and the state average was 330:1.

The middle school strives to address the distinctiveness of early adolescence through key instructional and organizational features: 1) Teachers are assigned as an interdisciplinary team to the same group of about 100 students. Teaming is designed to provide a positive psychosocial environment that permits flexibility, variety and heterogeneous grouping of students. The middle school structure of seven teams organized by grade level enables attention to both academic and humane considerations in planning and delivery of the curriculum. 2) An advisory program whereby a small number of students meet with a professional staff member for regularly scheduled meetings to develop close, trusting relationships and to discuss concerns of students. Teacher advisories contribute to a more positive school climate, develop student self-concepts and esteem and prevent dropouts. 3) Varied instructional approaches integrate learning experiences, address student questions and focus upon real and relevant life issues. 4) Exploratory programs captivate the natural curiosity of young adolescents and provide a range of academic, vocational and recreational subjects. 5) Transitional activities provide a smooth progression from elementary to middle school and from middle school to high school.

On the Grade Eight Proficiency Assessment, in 1998-99 the Jefferson Township Middle School general education students scored well above the state average and near the DFG percentages as follows:

Language Arts Literacy	Jefferson Middle School	Similar DFG	State
Advanced Proficient	11.7%	11.5%	8.1%
Proficient	83.7%	83.2%	77.3%
Partially Proficient	4.6%	5.3%	14.6%

Mathematics	Jefferson Middle School	Similar DFG	State
Advanced Proficient	29.7%	30.5%	21.8%
Proficient	58.6%	50.9%	46.7%
Partially Proficient	11.7%	18.6%	31.5%

Jefferson Township High School

The school was built in 1964 and had one addition in 1993. Its capacity was listed as 993 and currently houses 900 students in grades 9-12. The site's acreage combined with the adjacent middle school's grounds totals 92.58. The schools are situated in close proximity, which facilitates the staff's movement between the two buildings when necessary for instructional or supervisory purposes. One main corridor runs through the length of the building and branching off are the various wings "A" through "F." The configuration is such that at times it is much easier to cross a courtyard to get to the next wing than to pass through the various corridors.

The Jefferson Township High School (JTHS) has a staff that includes approximately 90 certificated members including three administrators and seven department chairpersons. Several staff members also have some instructional responsibilities at the middle school. There are four guidance counselors providing coverage of each grade level by a counselor, one student assistance counselor, and a department chair. Each guidance counselor remains with the same class throughout the students' four-year period. The BSI/HSPT area has three staff members. The instructional staff averages teaching about five class periods per day, plus one duty period. Seven departmental chairpersons provide supervision and teach several classes daily. The support staff numbers about 40 persons.

The high school has a comprehensive handbook for the staff that outlines key policies and procedures to facilitate the smooth and equitable operation of the school. The school annually publishes a program of studies, which provides the guidance staff with a means to communicate the school program offerings to both students and parents. The booklet for the 2000-01 school year outlines what courses incoming students will need to take in order to meet district graduation requirements. It includes course descriptions, planning methods to establish effective study skills to improve grades, and information on planning for post-high school educational or career pursuits. The student agenda book provides students with a structured means to get to know and understand what is expected of them in the way of rules and regulations, as well as to enable them to keep track of their progress and to keep focused on achieving their goals and aspirations. The book is also an ongoing source of relevant information to assist students during the course of the term.

High school students are offered a wide range of extracurricular activities to supplement the regular educational program. There are approximately 20 athletic teams and more than 30 clubs that make up the extracurricular program. In some areas the middle school students are able to join with the high school students to participate in specific activities.

There are eight students receiving ESL services at the high school and the BSIP roster has nine students listed. The HSPT rosters list 11 seniors, 36 juniors and 54 sophomores.

With 901 students in April, 2000 and an increasing enrollment, the school is approaching its functional capacity. There is frequent utilization of some classrooms for a variety of classes during a typical school day. Some teachers have to move from room to room depending upon available space to teach their classes. Teachers were observed doing their preparation work at tables in the media center. For a period of time during our visit the media center, with a collection of 15,000 books and an assortment of other materials, was closed to students and staff due to the area being used to conduct student testing.

In terms of passing each section of the High School Proficiency Test-Grade 11, Jefferson High School general education students scored well above the state average and near the DFG average as indicated in the following table:

High School Proficiency Test-Grade 11

1998-99	Reading	Mathematics	Writing	All Sections
Jefferson H.S.	94.9%	96.6%	95.5%	92.6%
DFG	95.6%	96.8%	97.1%	93.1%
State Average	89.4%	92.0%	93.1%	85.1%

According to the NJ School Report Card, the average English class size in Jefferson Township High School was 19.0 in 1998-99, compared to a state average of 20.9 students. The percent of students who entered or left the school during the school year was 6.3%, while the state average was 13.7%. The percent of students in grades 9-12 who dropped out during the school year was 1.7% in Jefferson High School and 2.9% on average throughout the state. The number of students per faculty member in JTHS was 12.4 and the state average was 11.6. The number of students per administrator for JTHS was 296 compared to a state average of 187.

Special Education

According to the district's 1999 Annual Data Report prepared December 1, 1999, the Jefferson Township School District special education program has an unduplicated count of 478 public students and 15 non-public students with disabilities, age 4-19. The 478 public special education students are educated throughout the district's schools. The district's special education program includes resource program, special class programs and out-of-district placements. The district also provides physical therapy, speech services, occupational therapy, and counseling, etc.

As reported in the district's December Annual Data Report, a three-year distribution of Jefferson's special education students and staffing is presented in the following table.

Jefferson Township School District	1997-98	1998-99	1999-00
District Enrollment	3,363*	3,456*	3,620*
CST Classified Students with Disabilities*	280**	309**	334**
Special Education Percent	8.33%	8.94%	9.23%
State Average	12.10%	12.40%	12.80%
Special Education Teachers/Aides			
Special Class Teachers	5.5	6.0	6.0
Resource Program Teachers	15.5	18.0	23.0
Preschool Teachers	1.5	2.0	2.0
Teacher Aides	13.5	17.0	16.5
Total	36.0	43.0	47.5
Child Study Team			
School Psychologists	2.4	2.6	3.4
Social Workers	2.0	3.0	3.0
Learning Disability Consultants (LDTs)	3.0	3.2	3.2
Total	7.4	8.8	9.6
Speech Therapy Enrollments			
Speech Only	154.0	154.0	144.0
Speech/Language Correction	109.0	140.0	148.0
Total	263.0	294.0	292.0
Speech/Language Specialists	4.5	5.3	4.8

Source: District's Annual Data Report and Comparative Spending Guide

*Nonpublic Students Excluded **Excluded Speech Only and Speech as Related Service

The three-year distribution of Jefferson's special education students reflects a fairly constant special education enrollment of about 9%. In comparison with the New Jersey State Averages over the past three years, Jefferson Township's percentage of classified students is below the state average.

The costs of special education programs are usually higher than non-special education programs. These increased costs result from lower student/teacher ratios, the use of aides in the classroom, more intensive curriculum, student Individual Education Plan (IEP) specifications and specialized staff requirements.

Out-of-District Placement

For school year 1998-99, 78 special education students were sent out-of-district, which included 41 to private school, four to regional day school, 24 to public school and nine to the vocational school. Based upon the actual out-of-district billing provided by the district for school year

1998-99, the average cost-per-pupil for private school placements for special education students is conservatively estimated at \$20,782. The estimates for public school and regional day school placements are \$11,343 and \$32,250 respectively. These estimates do not include the average transportation cost of \$6,032. With the transportation expense, the cost per pupil for out-of-district special education ranges from \$17,375 to \$38,282. The following table summarizes the per pupil costs of Jefferson's out-of-district special education placements.

School Type	Number of Students	Average Tuition Per Pupil	Average Transportation Cost Per Pupil	Average Total Cost Per Pupil
Public School	33	\$11,343	\$6,032	\$17,375
Private School	41	\$20,782	\$6,032	\$26,814
Regional Day Sch	4	\$32,250	\$6,032	\$38,282

Efforts are being made at this time to provide opportunities for as many in-district placements of special education students as are deemed feasible and cost-effective. Special education students are not sent out-of-district unless the district is unable to provide an appropriate level of education in a least restrictive environment or there is a placement by court adjudication.

Self-Contained Class

In school year 1998-99, the Jefferson Township School District maintained 10 self-contained special education classes distributed among the four elementary schools to provide instruction for a total of 65 students classified for learning and/or language disabilities, multiple disabilities and preschool disabilities. Within the middle and high schools, there were no self-contained special education classes. The following chart illustrates Jefferson Township special education class enrollments:

Self-Contained Special Class Programs - November 11, 1998

Grade	School	Class	Age Range	# of Students	Aide in Class	Allowable Class Size	Aide Required	Available Space
3	White Rock	LLD	9-10	8	1	10	No	2
1 & 2	Stanlick	LLD	8-9	10	1	10	No	0
1 & 2	Stanlick	MD	7-9	3	1	8	No	5
1 & 2	Stanlick	MD – LLD	7-8	6	1	8	No	2
K	Milton	LLD	5-6	5	1	10	No	5
Pre-K	Milton	Pre-K-am	4-5	7	2*	8	Yes	1
Pre-K	Milton	Pre-K-am	4-5	6	1	8	Yes	2
Pre-K	Milton	Pre-K-pm	4	6	1	8	Yes	2
Pre-K	Milton	Pre-K-pm	4	5	1	8	Yes	3
1 & 2	Cozy Lake	LLD	6-9	9	1	10	No	1
Total				65				23

NOTE: *one aide is required by IEP

The review conducted of the elementary school special education program indicates that six special education teacher aides were not required based upon the allowable class sizes and the actual class enrollments. Moreover, the available seating spaces indicate a potential for the district to accommodate 23 additional elementary students in these self-contained classes with the current personnel, minus the six aides.

The review team recognizes that differences in age grouping or other legitimate circumstances may preclude the district from filling every special education classroom to capacity or that special situations may exist as a result of analysis completed by child study teams. The team also realizes that in some cases “allowable capacity” means the “maximum” number of students, not “the recommended” number of students. However, the district should continue to carefully scrutinize this matter every year and be certain that resources within the district are utilized to the fullest extent possible.

Recommendation:

The review team suggests that the district consider reducing the number of self-contained SE teacher assistants (aides) by six. At an average salary and benefit cost of \$20,000 each, the district could save approximately \$120,000 by eliminating these positions.

The review team recommends that district officials endeavor to fill at least 10 of the remaining 23 available self-contained class seats with SE students from outside the district at average tuition rates of \$17,375 each for revenue enhancement of \$173,375.

Total Cost Savings and Revenue Enhancement: \$293,375

Resource Room

Jefferson Township School District also has other complements of services for special education students including resource rooms, supplemental instruction and speech instruction. The district has 18 resource centers distributed among four different locations to provide supplemental instruction and resource room instruction for 224 students in school year 1999-00. Resource programs conducted by 19 teachers include in-class support and both pullout replacement and support type classes, which are the district’s major program emphasis for learning disabled students. Five special education aides are assigned to resource rooms based on class size enrollments.

An extended summer program provides for special education and related services beyond the regular school year. An extended school year program is made available in the district for the special education student who has a lower level of functioning and recoupment cannot be expected in an acceptable span of time. There are 20 special education students enrolled in the summer program. Two teachers and their aides were hired for this summer special education program.

Child Study Teams (CSTs)

A district is obligated to employ child study teams in sufficient numbers to ensure the provision of special education programs and services to all classified pupils. The Jefferson Township School System currently employs the equivalent of 3.2 ten-month full-time child study teams (CSTs), comprised of three full-time and one part-time psychologists, three full-time social workers, and two full-time and two part-time learning disabilities teachers. Child study team members are assigned to the respective district schools.

The district has in place well-defined Pupil Assistance Committees (PACs) which can assist in addressing the needs of those students who are referred for assessment by the child study team and whose needs can best be met within the general education program. The PAC team consists of the school principal, nurse, one child study team member, counselor, and parent. They meet every week to discuss the needs of students who may be experiencing instructional and/or behavioral problems.

The primary responsibilities of the child study teams include evaluating and determining eligibility of pupils for special education and/or related services and coordinating, monitoring and evaluating the implementation and effectiveness of the IEP. In an effort to identify ways to control district costs, an analysis of the special education student enrollments and of the scope of child study team services was undertaken. The following table illustrates data which compares the district's staff and case ratios with the state average based upon the Special Education Statistical Report provided by Department of Education for the past three years:

Jefferson Township School District Special Education Enrollments & Staffing	1997	1998	1999
CST Classified Students with Disabilities	281	308	332
Number of Psychologists	2.4	2.6	3.4
Number of CST Classified Students Per Psychologist	117	118	98
State Average	134	131	135
Number of Social Workers	2	3	3
Number of CST Classified Students Per Social Worker	141	103	111
State Average	119	131	137
Number of LDTCs	3	3.2	3.2
Number of CST Classified Students Per LDTC	94	96	104
State Average	123	122	129
Number of Speech/Language Specialists	4.5	5.3	4.8
Number of Students Served for Speech Only	154	154	144
Number of Students Served for Speech as a Related Service	109	140	148
Total # of Students Served for Speech/ Related Services	263	294	292
Number of Students Served per Speech/Language Specialists	58	55	61
State Average	46	51	50

Based on the special education statistical report provided by the Department of Education, the district's CST staff member ratio was slightly higher than the state average, except for the speech/language specialists. According to the Comprehensive Plan for Education Improvement and Financing report provided by the Department of Education, 8.44 CST staff members could be adequate for the size of the Jefferson Township School District. Currently, the district has 9.6 CST staff member.

Recommendation:

The district's CST staff exceeds State Department of Education staffing adequacy guidelines. The review team recommends that district officials consider reducing one CST staff member, which would save the district approximately \$40,000.

Cost Savings: \$40,000

Basic Skills

Over the years the district has had a relatively small number of students in the language arts and mathematics basic skills program. As a cost savings mechanism, the BSI teachers are paid on an hourly rate and the 18 BSIP staff members are generally employed part-time for 3½ hours per day. The elementary schools have BSIP work hours in the morning, while the middle and high schools have hours in the afternoon.

The total basic skills/remedial expenditures for Jefferson Township in 1998-99 were \$137,762, or \$40 per average daily enrollment (ADE) student. The average basic skills/remedial total expenditures of the three comparable districts, i.e., Cranford, Mt. Olive and Roxbury, were \$67 per ADE pupil.

As the district plans for the delivery of educational services in the near future, consideration should be given to the fact that the BSIP enrollment may increase. This change may be to the extent that there will need to be a decision made as to the staffing necessary to adequately serve this segment of the student population.

Grade 4 Assessment Results

On the 1998-99 Elementary School Proficiency Assessment-Grade 4, the Jefferson Township general education students scored as follows on the tests:

Language Arts Literacy	Jefferson Township School District	Similar DFG	State
Advanced Proficient	0.0%	1.0%	0.6%
Proficient	41.8%	56.8%	45.4%
Partially Proficient	58.2%	42.2%	53.9%

Mathematics	Jefferson Township School District	Similar DFG	State
Advanced Proficient	14.2%	25.2%	18.2%
Proficient	60.5%	54.2%	47.5%
Partially Proficient	25.3%	20.6%	34.2%

Science	Jefferson Township School District	Similar DFG	State
Advanced Proficient	48.7%	50.0%	37.8%
Proficient	48.3%	46.9%	51.8%
Partially Proficient	3.1%%	3.1%	10.3%

English as a Second Language

A three-year English Language Services Plan for 1999-2002 was submitted for approval to the NJ Department of Education in July, 1999. There are fewer than 110 students in the district who qualify for these program services. Consequently, Jefferson Township spent only \$3,667 or \$1.06 per ADE student on English as a Second Language instruction in 1998-99. There is one appropriately certificated teacher who is available to provide any required instructional service on an “as needed” basis. This teacher works part-time and also provides supplemental instructional services.

Health Services

Each school has a nurse to provide school health services for students by:

- Providing emergency care for children who are injured or become ill.
- Notifying parents of health problems or related illnesses.
- Keeping up-to-date health records on all students.
- Scheduling student physical examinations by the school physician in grades 2, 5, 7, and 11.
- Periodically appraising the health status of students through physical examinations, vision, audiometric and scoliosis screening, and health histories.

In the following table, there is a comparison of the 1998-99 Jefferson Township health services expenditures with those of the three comparable school districts.

Health Services-1998-99	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township
Salaries	\$357,003	\$275,217	\$379,549	\$399,321
Purchased Prof. & Technical Services	\$43,379	\$19,506	\$17,123	\$66,981
Supplies & Materials	\$8,064	\$8,236	\$8,158	\$9,084
Total	\$408,446	\$302,959	\$404,830	\$475,386
Cost Per ADE Pupil	\$118	\$96	\$103	\$112

*The 1998-99 average daily enrollments for the districts were Jefferson Township - 3,456, Cranford Township - 3,154, Mount Olive Township - 3,926 and Roxbury Township - 4,240 pupils.

The Jefferson Township School District expended \$118 per ADE pupil on health services in 1998-99 compared to an average expenditure of \$104 for the other three districts. This above-average expenditure for health services in Jefferson Township appears to be due primarily to the provision of one nurse in each of six elementary schools. While two of the elementary schools are quite small, the health and safety issues and the distance between schools justify the expenditures.

Guidance

The district provides guidance service that ranges from helping students to adjust to their school environment to coping with the various problems inherent in the development of their current and future goals as students. The utilization of the counselors to provide adequate service for the elementary students has been structured to afford maximum coverage with a minimum amount of staff.

The guidance director at the high school has more than 31 years of service in the district. There are four counselors at the high school and three at the middle school, each responsible for one grade level. There is a guidance counselor/SAC who covers Cozy Lake, Stanlick and Milton Elementary schools. Essentially, the district's counselors constitute a veteran staff with an average of 17.8 years of service in the district. Guidance service to the remaining elementary schools is provided on an as needed basis usually by a counselor/SAC. The student assistant counselors (SAC), who average 6.5 years of service, are assigned as follows: in addition to the SAC/guidance counselor shared among the K-5 elementary schools, one SAC is in each of the other schools. This staffing plus the two guidance secretaries at the high school and one at the middle school account for the salary reported in the 1998-99 expenditure for guidance services. Some counselors also render necessary related services during the summer break.

The district had a budget of \$746,109 for the cost of guidance services for 1998-99, an increase of \$86,462 over the prior school year. The following chart sets forth the expenditures for the comparison districts:

Other Support Services-Students-Regular:	Jefferson	Cranford	Mt. Olive	Roxbury
Salaries of Other Professional Staff	\$643,014	\$428,461	\$830,641	\$750,988
Salaries of Secretarial and Clerical	\$81,464	\$109,498	\$857	\$103,184
Purchased Professional & Technical Services	\$1,800	\$50	\$10,088	\$23,935
Supplies and Materials	\$8,783	\$15,967	\$1,570	\$971
Other Objects	\$5,429	\$345		\$11,820
Total-Students-Regular	\$740,489	\$554,321	\$843,156	\$890,898
Average Enrollment	3,456	3,154	3,926	4,240
Per Pupil Other Support Services	\$214	\$176	\$215	\$210

Jefferson's guidance costs are reasonably comparable to most of the comparison districts' costs.

Educational Media Services

The district has four librarians who averaged about 12.8 years of service. There were also eight library aides, half of whom were part-time aides, for whom the average time of service was about nine years. The administrative library secretary also supplements the professional staff. Staff salaries account for the major portion of the funds expended to conduct the district's library program. The district utilizes the aides to cover the libraries in a manner so as to provide a reasonably adequate amount of ongoing service for the students using each unit.

The district's libraries have an estimated combined total of approximately 45,000 volumes. Some of the libraries are in need of some updating to meet current student needs, as related to the

number of volumes and computers, online access to the catalog, development of additional reading incentives, as well as linkages to external educational resources. Nevertheless, the librarians and their staff members utilize a number of programmatic innovations in order to provide an adequate program for their students.

In the following table, there is a comparison of the 1998-99 Jefferson Township School District educational media services expenditures with those of the three comparable school districts.

Educational Media Services/School Library

1998-99 Expenditures	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township
Salaries	\$535,505	\$263,020	\$288,973	\$535,752
Purchased Prof. & Technical Services			\$18,342	
Other Purchased Services		\$548	\$9,275	\$10,686
Supplies & Materials	\$39,309	\$68,026	\$87,267	\$91,739
Other Objects	\$1,180	\$155	\$250	\$8,929
Total	\$574,994	\$331,748	\$404,107	\$647,106
Cost Per ADE* Pupil	\$166	\$105	\$103	\$153

*The 1998-99 average daily enrollments for the districts were Jefferson Township - 3,456, Cranford Township - 3,154, Mount Olive Township - 3,926 and Roxbury Township - 4,240 pupils.

The Jefferson Township School District per ADE pupil expenditures for educational media services were \$166 compared to an average of \$120 for the three comparable school districts. Analysis of the Purchase Order Listing for 1998-99, dated 4/17/00 appears to indicate that salaries for the AVA/computer staff, \$229,471 were included in the \$535,505 amount shown above for Jefferson Township media service salaries. Without this figure there would be an average cost per student of \$100. This expenditure rate would be comparable to the comparison districts.

Recommendation:

The district should undertake a comprehensive review of district-wide media services with a view towards enhancing program as it addresses the current curriculum needs, the space needs in some schools, and state mandated requirements, as well as expanding technological capabilities.

Instructional Costs

In the DOE Comparative Spending Guide, March, 2000, among the 76 school districts with enrollments of 1,801 - 3,500 students, Jefferson Township ranked 19th in total classroom instructional per pupil costs of \$4,523 in 1998-99, compared with a statewide K-12 per pupil average of \$4,844. Jefferson Township also ranked 21st in classroom salaries and benefits with per pupil costs of \$4,338. Classroom salaries include the amounts paid to district personnel for regular, special education, basic skills, bilingual and other instructional programs. It includes the

salaries and benefits of teachers, substitutes and aides. Classroom general supplies and textbooks ranked 22nd at \$171 per pupil, compared to a K-12 state average of \$203. Classroom purchased services ranked 11th at \$13, which is much less than the K-12 state average of \$65 per pupil.

Instructional costs are determined primarily by: 1) the number of staff, and 2) the salary levels/fringe benefits that are provided by the district. Salary levels and fringe benefits are discussed under the Collective Bargaining section of this review.

According to the NJEA Research Bulletin A98-1/February, 1999 Basic Statistical Data 1998, the Jefferson Township School District had a professional staff ratio of 78.8 per 1,000 pupils, compared to a benchmark of 87.8 for K-12 school districts with 1,801 to 3,500 students. Therefore, Jefferson Township had about 10% fewer professional staff than other K-12 school districts.

Curriculum

The district employed a consultant during 1998-99 to conduct a curriculum audit and a report was submitted in March, 1999. Six school principals, the superintendent, assistant superintendent and their two secretaries were interviewed. The report provides an assessment of the documentation of the written curriculum in terms of presence, accessibility, currency and alignment with the NJ Core Curriculum Content Standards, student assessment and staff development. The contract did not include funds for involving the seven department chairpersons in the study, consequently some staff members view the report as controversial.

The Jefferson Township Middle School report card contains a succinct discussion of the NJ Core Curriculum Content Standards, which “describe what all students should know and be able to do upon completion of a thirteen year public education.” There are 56 standards in seven academic areas, including language arts/literacy, mathematics, science, social studies, health and physical education, visual and performing arts and world languages. There are Cumulative Progress Indicators or statements of behavior. Curriculum Frameworks provide activities for teachers to use in the classrooms and various assessments monitor implementation of the standards.

The Jefferson Township School District is in the ongoing process of aligning the curriculum with the standards. Under central office guidance, the department chairpersons working with classroom teachers through a series of scheduled meetings, implement the actual alignment, i.e., make certain that the curriculum contains the standards. The Grade Eight Proficiency Assessment (GEPA) is one measure of the students’ success in meeting the standards.

In May, 2000, the assistant superintendent provided a revised five-year evaluation plan for the Jefferson Township School District instructional programs. The plan includes the format for program evaluation, the data sources to be included and the calendar for evaluation, implementation and monitoring. The schedule by subject/skill is contained in the following table:

Year	Five-year Curriculum Development Plan			
1999-00	Social Studies	Music	Basic Skills	
2000-01	Health	Physical Education	Language Arts	Media Center
2001-02	Computer Educ.	Gifted & Talented		
2002-03	Business Educ.	Related Arts		
2003-04	Mathematics	Guidance		
2004-05	Science	Special Education	Speech Therapy	World Languages

Staff Development

The Northwest Consortium for Educational Staff Development, an endeavor that is sponsored by Jefferson Township and a group of nearby school districts, provides a means for teachers to learn effective instructional strategies to meet student needs. In 1998-99, three all-day sessions were held on “Inclusion” on October 15, “Brain Based Learning” on December 3 and “Raising Student Expectations” on January 14, 1999. The participating teachers returned to the local districts on a “teacher to teacher” basis to serve as turnkey trainers for other teachers. A total of six Jefferson Township teacher trainers and 61 K-12 teachers participated in-district in the Consortium staff development program in 1998-99.

According to the Quality Assurance Annual Report, the Jefferson Township School District also had professional in-service days on November 3rd, 1998 and January 18th, 1999. In November, there were K-5 grade level meetings on curriculum verification, grade level articulation, grading practices and science evaluation. In January, in the morning there were 20 turnkey workshop presentations in three sessions each and in the afternoon there were K-12 articulation meetings in 14 content and special areas.

With reference to out-of-district workshops in 1998-99, 34 Jefferson Township educators attended 16 workshops under \$2,340 in Eisenhower and Safe & Drug Free Schools Funds. About \$11,000 in local funds were expended on 70 conferences which were attended by 96 staff members. Also 44 staff members attended 36 conferences where no direct charges were involved. The reported costs for substitute teachers was about half the workshop fee totals, or \$5,300.

The team concludes that the staff development activities were both appropriate and within reasonable costs. The district is commended for participation and leadership in the Northwest Consortium for Staff Development.

Co-Curricular Activities

This section analyzes the district’s effort regarding district sponsored co-curricular activities such as clubs, bands, choirs, entertainment, and publications. Jefferson has numerous clubs and co-curricular activities that exist almost exclusively at the high school and middle school levels. The elementary schools have few clubs mostly due to the strong emphasis on athletics within the Township and a very active community scouting program.

The team compared Jefferson's costs for co-curricular activities to the selected school districts (see table below). The data indicates that the district spent \$148,344 on co-curricular activities in 1998-99. Jefferson's costs per student is \$43. This is \$12 or 21.9% below the \$55 average cost per student for the comparison districts (a comparison with the prior year found similar results). If Jefferson's costs per student in 1998-99 equaled the average of the comparison districts, its expenditures would have been \$41,472 higher.

About \$91,027 or 61% of the district's expenditures for co-curricular activities were for stipend payments to teachers who serve as advisors. The remaining expenditures include items such as supplies for the yearbook, band, and theatre.

Comparison of Expenditures for Co-Curricular Activities-1998-99

	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township	Three District Average
Student Population	3,456	3,154	3,926	4,240	3,773
Salaries	\$91,027	\$210,603	\$139,208	\$84,639	\$144,817
Purchased Services	\$26,129	\$34,721	\$10,105	\$4,341	\$16,389
Supplies/Materials	\$24,562	\$23,839	\$2,518		\$13,179
Other Objects	\$6,626	\$6,807	\$5,000	\$68,698	\$26,835
Total	\$148,344	\$275,970	\$156,831	\$157,678	\$196,826
Cost/Student	\$43	\$87	\$40	\$37	\$55

These stipend costs cover about 90 different areas and typically range from \$388 to \$2,962 per teacher. The 10 highest stipend amounts are shown in the table below.

Ten Most Expensive Stipends 1998-99

Activity	Cost
Marching Band Director	\$2,962
Asst. Marching Band Director	\$2,152
Yearbook	\$2,152
Drill/Guard Instructor	\$2,152
Academic Decathlon Advisor	\$1,652
High School Newspaper	\$1,612
Forensics	\$1,612
Senior Class Advisor	\$1,612
Drama Director	\$1,530
Spring Musical Director	\$1,530

The high school and the middle school have roughly 50 different co-curricular activities or clubs. About 90% of these are at the high school. The district had to develop estimates of the number of students who participate in co-curricular activities at the high school because it does not

routinely maintain this data. The estimates showing the highest number of student participants are shown in the table below. This represents about 33% of the approximately 900 students at the high school and is a reasonable participation rate.

High School Co-Curricular Activities

Activity	Number of Participants
Spring Musical	70
Chamber Chorus	50
Madrigal Singers	24
Men's Ensemble	24
Women's Ensemble	36
Vocal Ensemble	24
Band	48
Drill Team and Honor Guard	18
Total	294

In many areas of this report the team has seen a strong emphasis on the part of district personnel to provide good services at low costs. This is also seen in the co-curricular function. Even though costs are already limited, the district is considering a plan to make them even lower. The plan is to avoid starting clubs or co-curricular activities that have only limited interest among students or the community. This will be accomplished by requiring parents to contribute some portion of the costs to operate the club or co-curricular activity. This avoids expending public funds where interest is limited or short term. This is similar to what the athletic department does to ensure wide community support.

The team commends the district for its efforts to provide needed services in a cost-effective manner.

Athletics

The team analyzed the district's athletic program by interviewing the athletic director, touring athletic fields, receiving comments from teachers and administrators, and comparing the district's cost per student to the selected districts for 1998-99 and 1997-98. The team concludes that the athletic program is relatively low cost, comprehensive and highly successful.

The district offers a comprehensive athletic program including 22 sports with 46 different levels and 65 coaches. The program includes baseball, basketball, golf, skiing, lacrosse, cheerleading, etc. The program recently added ice hockey. Before a new sport can be introduced into the district, the group of sponsoring parents is required to provide some financial support. This practice avoids the addition of new sports to the public school program when there is only limited student interest in participation.

In terms of costs, the table below shows how the district compares to the selected districts. Jefferson's cost per student in 1998-99 was \$104 or 16.8% below the \$125 average cost per student for the comparison districts. A comparison using 1997-98 data had similar results.

Jefferson Township School District-Athletic Cost Comparison 1998-99

	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township	Three District Average
Student Population	3,456	3,154	3,926	4,240	3,773
Salaries	\$232,105	\$271,291	\$374,887	\$279,756	\$308,645
Purchased Services	\$43,927	\$62,218	\$64,943	\$91,777	\$72,979
Supplies/Materials	\$84,607	\$75,214	\$73,577	\$36,660	\$61,817
Deficit Transfer		\$9,500			\$9,500
Other Objects			\$16,693	\$46,861	\$31,777
Total	\$360,639	\$418,223	\$530,100	\$455,054	\$467,792
Cost/ADE Student	\$104	\$133	\$135	\$107	\$125

According to the athletic director, one priority of the program is to keep costs low. Some examples of this are the absence of assistant coaches in selected sports such as skiing, swimming, cross country, and golf. In addition, the director also objectively determines the number of coaches by a formula developed over the years. This formula allows 11 minutes per student per coaching period (usually two hours). The director supervises many events rather than paying others to do so and he has a part-time rather than full-time secretary.

In addition to being low cost, the district's athletic program is also highly successful. Approximately 54% of the student body participate in sports (there may be some duplication if students participate in more than one sport). The director works to increase participation by coordinating closely with teachers and the administration. For example, he involves principals in the program by talking with them regularly and inviting them to all the games. Another indicator of the program's success is the number of awards received. The district has won over 50 state championships in 10 different sports, 61 conference championships in 12 different sports, and 16 county championships. The district has had 31 undefeated seasons. In addition, over the years local newspapers have selected 24 of the district's coaches for "Coach of the Year." In fact, 13 coaches have over 100 wins, four have over 200 and one coach has over 400 wins.

The director attributes the program's success to many things, but hiring the right people is the key. The values the director looks for in his staff are motivation, accountability, knowledge, efficiency and energy, intelligence and teaching ability. Combining the first letter of each of the prior words spells "make it" and the director adds the word "happen." This philosophy has guided him over the 35 years he has been with the district.

To further focus his staff, the director tracks the success of each coach for the current and past years. These records are posted in order to serve both as a reward and as a goal for all of the coaches. As the director works with the coaches and they become more successful, he likes to see them become the "boss" of their sports. This "make it happen" attitude therefore builds coaches and athletes.

In terms of improvements, the director believes that there is a need to implement capital improvements including the track, gymnasium, locker rooms and more and better fields.

The team commends the district for having a comprehensive, highly successful and low cost athletic program. The students, staff and taxpayers of Jefferson Township can be proud that their tax dollars are well spent.

BUSINESS OFFICE OPERATION

Surplus-Transfer Activity

Surplus is the amount of money held in reserve and remaining when current year revenues have exceeded expenditures. In the event of expenses exceeding the amount of revenues plus any prior year carry over of surplus of funds, a deficit would occur. In accordance with state law, accounts cannot go into deficit. Surplus is included in a district's budget in order to provide funds for emergencies or other unanticipated expenditures which are beyond the board's control. Sound financial controls are required to ensure that surplus funds are accurately estimated and used according to established guidelines.

The Comprehensive Education Improvement and Financing Act (CEIFA) 18A:7F-1 through 18A:7F-34, which became effective December 20, 1996, established a maximum allowable undesignated surplus of 6%. In accordance with N.J.S.A. 18A:7F-7, excess surplus that is over the allowable maximum shall be appropriated or returned to taxpayers. The state does not stipulate the minimum amount of surplus a district should maintain; however, since revenues are not always received on a timely basis and expenditures may vary from month to month, the district must anticipate its cash flow needs throughout the year.

A district's ability to estimate surplus accurately is strongly predicated on its success in establishing sound budgetary and internal controls. Procedures established in this regard are necessary to ensure adequate budgetary and financial control during the year and accurate accountability at year-end. These in-place control procedures can be utilized to institute corrective action by alerting management when significant budget and accounting data deviations occur from the original estimates.

Tracking trends in revenues, expenditures, and annual surplus can assist districts in estimating surpluses accurately. When district personnel prepare the budget, they know fairly precisely the amount of revenue the district will receive for the upcoming year. Over the past three years (1996-97 through 1998-99), the Jefferson Township School District's revenue from local tax levy as a percent of total general fund revenue ranges from a low of 61.32% to a high of 63.93% and state aid from 35.59% to 38.35%. Interest on investments and miscellaneous revenues provided less than 1% of the general fund revenue. The following table illustrates the district's revenue distribution over the past three years for the general fund.

General Fund	1996-97		1997-98		1998-99	
	Actual	%	Actual	%	Actual	%
Local Tax Levy	\$17,093,611	61.32%	\$17,532,116	63.93%	\$18,495,102	62.93%
Interest on Investments	\$77,671	0.28%	\$98,896	0.36%	\$75,573	0.26%
Miscellaneous	\$16,566	0.06%	\$31,435	0.11%	\$32,615	0.11%
State Aid*	\$10,690,240	38.35%	\$9,761,408	35.59%	\$10,784,673	36.70%
Total Revenue	\$27,878,087	100.00%	\$27,423,856	100.00%	\$29,387,963	100.00%

Source: District's CAFR

*Excluded pension and social security contributions.

In 1998-99, the Jefferson Township School District expended approximately 68% of the general fund for salaries. Except during contract renewal years, the district should be able to determine, with reasonable accuracy, the budgeted amount needed for salaries; however, salary estimates can often be higher than actual expenditures as a result of resignations, retirements, etc., which may occur after the budget has been adopted. The other 32% of the general fund budget are more variable, although budget projections can be determined through the use of multiyear contracts, purchase agreements and by examining the history of prior revenues.

The following table illustrates the difference between the district's budgeted and actual revenues, expenditures, and surplus in general fund for school years 1996-97, 1997-98 and 1998-99.

	1996-97			1997-98			1998-99		
	Budget	Actual	Chg. in %	Budget	Actual	Chg. in %	Budget	Actual	Chg. in %
Local Tax Levy	\$17,093,611	\$17,093,611	0.00%	\$17,532,116	\$17,532,116	0.00%	\$18,495,102	\$18,495,102	0.00%
Interest on Investments	\$100,000	\$77,671	-28.75%	\$80,000	\$98,896	23.62%	\$60,000	\$75,573	20.61%
State Aid*	\$9,228,277	\$9,228,277	0.00%	\$9,761,408	\$9,761,408	0.00%	\$10,737,549	\$10,784,673	0.44%
Miscellaneous	\$0	\$16,566	100.00%	\$10,000	\$31,435	214.35%	\$0	\$32,615	100.00%
Total Revenue	\$26,421,888	\$26,416,125	-0.02%	\$27,383,524	\$27,423,856	0.15%	\$29,292,651	\$29,387,963	0.33%
Total Expenditures	\$26,967,971	\$27,170,921	0.75%	\$27,350,208	\$27,186,672	-0.60%	\$29,577,641	\$29,088,454	-1.68%
(O)/U Expenditures	-\$546,083	-\$754,796	-38.22%	\$33,316	\$237,184	-611.91%	-\$284,990	\$299,509	205.09%
Other Finance Source	\$0	\$250,323	0.00%	-\$134,420	\$309,331	0.00%	-\$146,500	-\$103,822	(42,678)
Surplus or (Deficit)	-\$546,083	-\$504,473	7.62%	-\$101,104	\$546,515	640.55%	-\$431,490	\$195,687	145.35%
Beg. Fund Balance	\$816,887	\$816,887	0.00%	\$312,414	\$312,414	0.00%	\$858,929	\$858,929	0.00%
Ending Fund Bal.	\$270,804	\$312,414	15.37%	\$211,311	\$858,929	306.48%	\$427,438	\$1,054,615	146.73%
Fund Bal./Total Exp.	1.00%	1.15%		0.77%	3.16%		1.45%	3.63%	

Source: District's CAFR

*Excluded TPAF pension and social security contributions.

In 1996-97, to fund \$26 million in projected expenses, the board appropriated \$546,083 from the \$816,887 surplus balance, leaving a projected surplus of \$270,804 (1% of the projected general fund budget amount). According to the CAFR, the district over-spent the budget by \$754,796, which would have generated a surplus of \$62,091. However, in the same year the district brought in another revenue source of \$250,323 from leasing its transportation vehicles. As a result, the surplus fund increased from \$62,091 to \$312,414 or 1.15%. For the 1997-98 budget, the board appropriated \$101,104 from surplus and estimated an end-of-year surplus balance of \$211,311 (0.77%). However, by the conclusion of the budget year, the district had realized

savings of \$858,929. This generated an actual surplus balance of 3.16% of the budgeted expenses. During the 1998-99 budget, the board estimated a \$427,438 surplus, but instead actualized over one million dollars or a 3.63% surplus.

Based on the past two years of surplus fund balances, the district is consistently closing the school year with a greater surplus than estimated. In view of the significant fluctuation in surplus balances from year to year, district officials should consider establishing a policy on maintaining surplus perhaps within a range of 2 to 4%. Implementation of the policy would necessitate enhanced budgeting techniques and monitoring of expenditures.

Recommendation:

Since surplus balances have fluctuated significantly in relation to estimates and from year to year, district officials should consider developing a policy statement on surplus and institute methods that would result in more accurate annual estimates of budget expenditures and surplus balances.

Banking and Investment – Cash Management

The team reviewed the checking and saving accounts maintained by the Jefferson Township School District for the purpose of identifying ways the district can improve interest income and reduce the costs associated with reconciling and maintaining banking accounts:

During 1998-99, the district maintained over 21 checking accounts in four different banks, which included the general account, 12 petty cash accounts, payroll account, payroll agent account, bond/coupon account, cafeteria account, and individual school activities accounts. The district has a sweep account with one of the banks, which is an investment account that collects all the cash balances from different accounts when the total cash exceeds \$500,000. The sweep account allows the district to earn more interest.

A review was conducted of the amount of interest earned by the district in the sweep account. The average monthly balance in 1998-99 ranged from approximately \$620,447 to \$1,073,259. For school year 1998-99, the average sweep account earnings rate was 4.05%. The district received \$75,573 for the year 1998-99 in interest income. Banks also provide services such as free checking, account analysis, bank reconciliation and other services if the district meets minimum compensating cash balances.

Most districts invest a portion of their balances that are in excess of the positive available balance into Certificates of Deposits or the New Jersey Cash Management Fund (NJCMF) to earn higher interest. NJCMF is a conservative investment fund utilized by the State. For comparative purposes, the team evaluated interest paid to the district by its bank against interest rates that would have been paid by the NJCMF. The chart below compares the earnings rate of the district's bank accounts with that of the New Jersey Cash Management fund for the period from July 1, 1998 to June 30, 1999.

	Jefferson's Major Bank	NJ Cash Management Fund
July-98	4.46%	5.42%
August-98	4.44%	5.40%
September-98	4.25%	5.29%
October-98	3.64%	5.40%
November-98	3.96%	5.41%
December-98	3.96%	5.52%
January-99	3.92%	5.45%
February-99	3.96%	5.37%
March-99	4.02%	5.38%
April-99	3.84%	5.38%
May-99	4.03%	5.38%
June-99	4.14%	5.35%
Average	4.05%	5.40%

The district's rate was 1.35 points below the rate paid by NJCMF. If the district had invested its excess funds into the NJCMF, the district would have earned more in interest income. However, NJCMF does not provide the services that the bank provides to the district, such as check printing and processing. The team does not suggest that the district look at the Cash Management Fund of the State of New Jersey as the only investment opportunity, but it does provide a basis for comparison. NJCMF is one of a number of funds invested by the Division of Investment of the Treasury Department under the jurisdiction of the State Investment Council. The fund was established in 1977, and a separate report has been prepared annually since fiscal year 1978, when legislation was enacted which permitted New Jersey municipalities and other public entities to participate in the fund. The purpose of the fund is to provide a convenient and economical means of investing short-term funds at the best rates available for prudent investment.

In view of the costs of these services, the review team compared service charges between the district's bank and other banks, identified as Bank X and Y, as illustrated on the following table:

	Jefferson Bank Service Charge	Bank X Service Charge	Bank Y Service Charge
Account Maintenance	\$30.00	\$15.00	\$20.00
Checks Paid	\$0.20	\$0.18	\$0.19
Deposits	\$1.20	\$0.40	\$0.50

The bank officials state that they will waive the service charges when the district maintains a minimum balance in the account. However, the district would then earn no interest from the minimum balance amount. In other words, the bank uses the earned interest to cover the service charges. Some banks require a higher minimum balance and other banks require somewhat lower minimum balances. Since the minimum balance requirements for different services were

not available from the district's bank, the team could not determine if the district was paying comparable service fees. The amount of the required minimum balance is also the major factor in determining the actual service fees.

The relationship between the district and the bank is a strong and positive one. However, there is no written agreement detailing or outlining banking service, products or costs.

Recommendations:

- 1. The district should combine some of the petty cash accounts. This would provide a simpler and more efficient method of account management, which would result in enhanced opportunities for interest earnings and minimize the account maintenance charges.**
- 2. District officials should review frequently cash management practices to generate the best income for tax relief. The district periodically should compare this program with area bank offerings in order to maintain optimum investment opportunities. The district should also consider optional lawful investments permitted in P.L. 1997, Chapter 148, as amended.**
- 3. District officials should consider entering into a formal written agreement with the bank outlining the specific services to be provided, the cost per unit of service, and the manner in which these costs will be paid.**
- 4. A cash flow analysis should be prepared and a more comprehensive and informative investment tracking system should be utilized. This more efficient method of cash management would result in enhanced opportunities for interest earning.**

Purchasing

This section analyzes the district's purchasing function. In 1998-99, only about \$6.3 million or 20.3% of the district's \$31.1 million in general fund expenditures are for purchased items. The majority of the district's expenditures are for salaries (\$19.8 million), health benefits (\$1.9 million), and pension, social security and other employee benefits (\$3.1 million). The district spent the \$6.3 million to purchase textbooks, supplies, equipment, contracted services, heat and electricity and other such items. These types of purchases are the focus of this section.

The team began its analysis by reviewing the district's purchasing procedures. Written procedures are an efficient way to ensure that staff meet legal requirements, properly complete required forms, and process them in a uniform and timely manner. Unfortunately, the district does not have comprehensive, written and current purchasing procedures. The new business administrator is aware of this situation and has begun efforts to correct it. The team supports the district's efforts to develop purchasing procedures.

Recommendations:

The district should develop policies and purchasing procedures that address key aspects of the purchasing process including:

- **Identify when bids are required including advertisement, specification, and bid opening procedures. They should specify that back orders are not to be used to avoid the bidding process;**
- **Identify when quotations are required including the number of vendors, and the forms that must be completed;**
- **Identify requisition and purchase order processing and approval requirements including the forms required;**
- **Establish emergency purchasing procedures including the point that they are not to be used as a result of poor planning or delay in addressing an issue; and**
- **Identify conflict of interest issues such as receiving gifts from companies, etc.**

It is further recommended that the district's auditor review the proposed purchasing procedures to ensure that adequate internal controls and safeguards are included.

The district processes roughly 3,000 purchase orders per year using a manual process. However, the new business administrator plans to implement an automated purchasing process by June 1st, 2000. Everything is in place but she is waiting for the telephone company to install a router. Each school or functional area will be able to see their account balances, enter requisitions and approvals on-line, and transmit the requisition to the business office for approval. Approved requisitions will be printed out in the business office. The purchasing system will be linked to the accounting and budgeting system so that each school can identify on-line how much has been spent in selected areas and the available balance. By automating the purchasing process, the business administrator will be able to eliminate one part-time position in the next school year (2000-01) saving the district an estimated \$9,000.

The team commends the business administrator for her plans to improve efficiency through automation and the resulting reduction in staff costs by \$9,000.

The district's general budget and purchasing process operates in the following manner. The new budget process begins around November/December. Each school and functional area prepares a budget of needs, which specifies the costs for supplies, copier rental, co-curricular, training, etc. In addition, any new full-time or part-time staff and any new stipend requests are included. In January/February, the superintendent and the business administrator review these requests and meet with the board's Finance Committee. The board makes final decisions on the budget by the end of March. In April, the budget is presented to the voters for approval.

Around May, the district generates orders or solicits bids to purchase needed items. In July/August, vendors deliver the school supplies to each school and they are boxed for each

teacher. The proper forms are completed to document that orders are received and the vendors are then paid. A second purchasing process occurs around December for a small number of fill-in items that are delivered in January/February.

The district uses various purchasing methods to help ensure that the district obtains a good value for its purchasing dollar. Depending on the item to be purchased, the district uses state contracts, bids, or quotations.

The district uses many state contracts including the purchase of teaching supplies, computers, copiers, school furniture and athletic uniforms. The district used a state contract vendor to purchase paper in 1998-99 and paid approximately \$44 per carton. As discussed below, the district purchased paper at significantly lower costs in the 1999-00 school year.

If the district needs an item that is not available under state contract or if it believes it can obtain a better value, the district will obtain bids or quotations. Some examples of the items purchased through the bidding process are buses, small capital improvements, a fire alarm system, and an asbestos flooring replacement project.

The district sometimes works with other government agencies to try to reduce purchasing costs by establishing cooperative purchasing agreements. For example, in 1999-00 the district joined the Morris County Pricing Council (MCPC) and purchased copy paper for \$23.97 per carton. This is one-half the price of the state contract vendor used in the prior year. Based on an analysis of the number of cartons of white, 8.5 x 11 paper purchased in 1998-99, the review team estimates that \$16,688 was saved.

The team commends the business administrator for finding lower cost alternatives to purchase paper. This saved the district \$16,688 compared to the prices of the state contract vendor.

The district also purchases numerous other items from MCPC including light bulbs, #2 fuel oil, paving materials, fire equipment services, and clay for athletic fields.

Other cooperative efforts to save money include joining with the Township of Jefferson to purchase gasoline, garage space and snow plowing. The district also has informal agreements with the township regarding grass cutting. The township cuts the grass on the fields that the township uses.

The district would save money if it expanded its cooperative purchasing to include school supplies. A comparison of state contract prices for typical school supplies (excluding copy paper because the district now purchases this cooperatively) with prices from a cooperative program indicates that the cooperative's costs are an average of 27.3% lower. The cooperative charges a fee to participate (approximately 5.5% of the price) but the savings far outweigh the fee. For example, the district spent approximately \$367,858 on school supplies in 1998/1999 excluding

copy paper. Purchasing these items at 27.3% less cost would have resulted in a total cost of approximately \$267,433. Adding the fee (\$14,709) to this amount would increase costs to \$282,142. This is \$85,716 less than the district paid.

Recommendation:

The district should expand its cooperative purchasing effort to include school supplies. A comparison of cost differences on school supplies indicates that the district could reduce costs by \$85,716 per year.

Cost Savings: \$85,716

Inventory and Fixed Assets

The recent conversion to Generally Accepted Accounting Principles (GAAP) mandates that New Jersey school districts set up a General Fixed Asset Group of accounts and provide an inventory method to quantify the historical cost of fixed assets. Fixed asset lists of inventory stock and appraisal value provide organizations with valuable information. They not only list public assets, but also help to identify theft, establish consumption guidelines, and prevent unnecessary purchasing. An incomplete inventory listing makes it difficult to identify a loss or to obtain proper insurance coverage for the district.

A consultant firm has been hired by the district every year to conduct a revaluation of the district's property inventory and accounting cost records. The district spent \$5,572 for this purpose during 1997-98. The consultant tabs the equipment and updates the fixed asset data file according to the changes that the district has documented. Since this process is contracted with a private firm, the district has very little control over its fixed asset ledger. A summary revaluation report is issued by the firm, which provides all inventory information, including the book value, original cost, location and depreciation cost, etc. The district also submits this report to the insurance company, which insures its properties.

During the review of the district's fixed assets records and procedures, it was found that school equipment, such as computers, fax machine, etc., were tabbed. Board policy stipulates that equipment worth \$10 or more must be recorded in an inventory in the business office. Under the current procedures, items with value under \$500 are also included in the fixed assets lists. The review also revealed that the fixed assets were not reconciled to the accounting ledger.

The board has a policy outlining the procedures for disposal of obsolete property. Since most of the board policies were originally adopted in 1962, district officials are in the process of updating all the board policies.

Recommendations:

District officials should consider installing a networking system in central office and purchasing a combination financial/personnel software package. This would allow new

fixed asset purchases to be inputted or updated into the system as soon as the purchases are incurred. By extending the technology to a higher level, the district can improve the efficiency and accuracy of its fixed assets program.

The fixed assets ledger should be examined periodically by the business office since the staff could easily recognize the fixed assets based on the actual invoiced cost. A consultant firm could be hired every five years to conduct a reevaluation of the district's property inventory.

Grants

Reportedly, the district did not receive any competitive grant money during 1998-99. There was no district staff person responsible for developing grant applications. As indicated earlier in this report, the district schools did receive additional funds from their respective PTA organizations, which were usually designated for some specific programmatic activity or special effort within the school.

The records indicate that the district annually spends most, but not all, of the money it receives through entitlement grants. The CAFR states that for the school year ended June 30, 1999 the district had received federal awards in the amount of \$606,283 and had budgetary expenditures of \$591,510. The deferred revenue as of that date, was \$6,942 and there was \$9,222 designated to be returned by the district to the federal grantor. The district received \$13,124,831 from the State of New Jersey and its budgetary expenditures amounted to \$13,209,499. Accounts receivable at the end of the 1998-99 school year had a balance of \$106,813 due from grantor. Of that amount, \$58,816 represents TPAF/social security reimbursements and \$47,124 represents needed special education aid. Since the audit report did not comment on these items, the auditor should develop a system to monitor the implementation of the district's entitlement grants.

Recommendations:

A system should be put in place to monitor the implementation of the district's entitlement grants. This will help to assure that funds received are properly and completely utilized in a timely manner.

The district should consider employing a grants-writer on a part-time or shared basis. Developing a partnership with another district in the general area might identify someone who could fill the job, providing a cost saving to both entities. The West Orange School District has developed an effective arrangement to seek and write grants that may be worth examining.

The district should research, identify and seek some additional competitive grants to supplement the funds normally available annually. The Department of Education web site contains helpful information. Possible grants might include Technology Literacy Challenge or School to Work Competitive.

Revenue Enhancement: \$40,000 - \$70,000

SERVICE CONTRACTS

Auditor Fees

An auditor fee is included as part of the general administration cost, which is recorded in the “other purchased professional services” category. The district has utilized the services of the same auditor for more than two years for its annual audit. The board appoints the auditor each year through resolution and does not seek proposals from others for auditing services. In 1998-99, the district expended \$17,925 for audit fees, which included \$925 to perform other services, such as cash balance reconciliation and various tax rate calculations.

The review team identified errors and incidents of inaccurate reporting in the CAFR reports due to the use of incorrect accounting codes by district employees. The team also revealed that the total amount of some accounts in the district’s detail account analysis report did not agree with the district’s trial balance report. However, there were no recommendations in the auditor’s reports regarding the incorrect use of accounting codes.

The review team conducted a comparative review of auditor fees paid by the Jefferson, Cranford, Mt. Olive and Roxbury School Districts. A comparison of the auditing fees for the school year 1998-99 is contained in the following table.

Comparison: Audit Expenditures

	Jefferson	Cranford	Mt. Olive	Roxbury
1998-99	\$17,925	\$18,925	\$19,500	\$35,850

Recommendations:

- 1. The district should request the auditor to extend the audit testing to ensure that the district is charging expenses to the appropriate accounts in accordance with the Department of Education’s guidelines. District staff and the auditor should review all reports to make sure that final reports are correct and agree with each other.**
- 2. The district should seek Requests for Proposals (RFP) for the purpose of promoting competitive audit fees and services from different accounting firms. Also, the district should enter into a formal written agreement with the audit firm to specify the nature of services to be provided based upon the awarded contract per RFP.**

Legal Fees

An analysis of the district’s legal expenses over the past two years, 1997-98 and 1998-99 revealed expenditures totaling \$78,172 and \$77,907 respectively. The Jefferson Township School District has utilized the legal services of the same attorney of a large law firm for many years. There is no contract with the attorney, or with the law firm. The district is very satisfied with the service it receives from this attorney, and does not seek proposals from others for legal services. The board appoints the attorney each year through resolution. The district paid the attorney \$125 an hour in 1998 and \$145 an hour in 1999.

A review of the vendor analysis records for school year 1998-99 was conducted. Most legal fees were paid for legal consultation, litigation, personnel matters and contracts. The board attorney only attends board meetings when required by the board.

Under the current system, only the school superintendent, business administrator and board president may contact the board attorney for legal consultation.

The review team conducted a comparative review of legal fees paid by the Jefferson, Cranford, Mt. Olive and Roxbury school districts. It revealed that the Jefferson Township School Board is paying the highest hourly rate to its board attorney.

The following are the comparisons of the hourly rates for attorneys of the comparative school districts for 1998-99.

1998-99	Jefferson	Cranford	Mt. Olive	Roxbury
Hourly Rate	\$140	\$120	\$105 - \$125	\$125
Retainer Fees	\$0	\$6,000	\$8,500	0
Total Legal Expenses	\$77,907	\$48,289	\$150,079	\$98,831

Recommendation:

The district should seek RFP's for the purpose of promoting competitive legal fees from different law firms. Also, the district should enter into a formal written agreement with the legal firm to specify the nature and extent of services to be provided based upon awarded contract per RFP.

INSURANCE

Workers' Compensation

The district is in a Pooled Insurance Program (PIP) with 24 other school districts for workers' compensation insurance. The pool recently (1999-00) hired a new broker to administer the PIP. The broker immediately began implementing changes to help reduce costs. For example, she hired a new attorney that reduced legal costs significantly, implemented a basic safety program including seminars for custodians and supervisors and she carried out limited inspections of the most common areas for injuries such as floor mats, runners and the lifting and storage of heavy items. The broker directed a limited inspection of typical accident areas in Jefferson Township in September, 1999, and found that the district was in good condition.

The PIP has a third-party administrator who also works to keep costs low. For example, he completes a thorough inspection of each district every three years. The third-party administrator inspected Jefferson in April, 1999, and found no significant problems. In addition, every six months the administrator analyzes claims in each district, develops a report and provides it to the district. This claims analysis and reporting process occurs more frequently than is normal but the third-party administrator believes that this feedback helps districts to prevent similar injuries or

accidents from reoccurring. The administrator also provides an annual report to each district comparing them to the pool averages. This helps each district see its program's strengths and weaknesses in relation to the pool. Finally, to keep cost low, the administrator has a panel of doctors oversee the treatment of injured employees. This promotes the return of employees to work as quickly as possible.

These efforts to prevent injuries and minimize accidents are reflected in the district's good experience factor rating which is .774. This reflects a low frequency and costs of claims. For example, over the past six years, (1993-94 through 1998-99) the district's claims have averaged \$65,253 per year. In addition, a comparison of Jefferson's average workers' compensation cost per employee to the selected districts indicates that in 1998-99 Jefferson's cost was \$262 (see the table below). This is 15.5% below the \$310 average cost of the comparison districts. If Jefferson's costs equaled the average of the other districts, its expenditures for workers' compensation would be \$23,129 higher.

Comparison of Workers' Compensation Costs 1998-99

District	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township	Three District Average
# of Employees					
Certified	306	310	341	384	345
Other	178	143	222	239	201
Total	484	453	563	623	546
Workers' Comp. Cost	\$126,874	\$111,999	\$215,571	\$186,674	\$171,415
Cost Per Employee	\$262	\$247	\$383	\$300	\$310

The district does not currently have a safety committee but the new business administrator is in the process of working with the third-party administrator to establish one. The establishment of this committee should make the district's workers' compensation program even more cost effective.

The team commends the district for having a low cost and effective workers' compensation program. The district keeps costs low by participating in a pooled insurance arrangement, analyzing accidents and injuries and working to prevent their reoccurrence, and training employees and supervisors regarding accident prevention. This is another example of the district spending taxpayer's dollars wisely.

This analysis of the district's workers' compensation costs led the team to discover a need for some accounting improvements. As noted above, the actual cost of the district's workers' compensation insurance in 1998-99 was \$126,874. The original estimated premium for that year was \$162,619 but the district received a \$35,745 rebate after the district's records were closed for the year. However, the audit shows an expenditure of \$211,578. This amount includes the original cost of \$162,619 plus \$48,959 for health insurance expenditures that were erroneously charged to the workers' compensation account. Of course this means that the audit also understates health insurance costs by \$48,959. These improperly classified expenditures are not adjusted.

The team also found improperly classified expenditures in areas other than workers' compensation. The need for the district to improve its classification of the expenditures is discussed in another section of this report.

Property and Casualty Insurance

In 1998-99, the district paid approximately \$59,223 in insurance premiums for property, casualty and miscellaneous insurance. The review team compared the district's cost, coverage limitations, and deductible amounts with the comparison districts for the 1998-99 school year. The team found the district's costs to be roughly comparable.

The district works to keep the cost of this insurance low by receiving competitive proposals each year. The district hired a new insurance company in 1999-00 (the team focused on 1998-99). Premium charges for the new company saved the district approximately \$10,000. In addition, the new insurance company provided safety and other training to reduce risks.

The team commends the district for receiving competitive proposals each year for property, casualty and miscellaneous insurance. In 1999-00, this process helped the district to reduce the costs of this insurance by \$10,223 and to receive additional service.

FACILITIES AND OPERATIONS

Overview

Jefferson Township is a K-12 grade district with six elementary schools, a middle school and a high school. The high school and middle school share property in the northern section of the township, with the elementary schools scattered among the communities that have grown up around the numerous lakes and business areas. The vehicle maintenance garage for the municipality is used jointly by the school district. Buses are housed in the rear of the high school/middle school property. Office space is rented for administration and special services personnel.

Maintenance Operations

The maintenance department consists of a director of buildings and grounds, four general maintenance workers and a maintenance secretary. The director and the secretary are employees of the maintenance management vendor. The contract provides for maintenance and custodial management services and custodial equipment and supplies. The director is responsible for the scheduling of work, budgeting processes, supervision of staff, work order procedures, employee training, and in-house construction projects.

With an initial bid in 1980, Jefferson Township became one of the first districts in the state to privatize maintenance management services.

Custodial Operations

Jefferson Township employs 22 full-time custodians. Shifts vary from school to school, with a middle school shift beginning at 5:30 a.m. Two of the custodians at the high school work a Tuesday through Saturday shift. Supervision for the custodial staff is the responsibility of the director of buildings and grounds in concert with the building principals.

Custodial Staffing

Part of the review process consists of identifying custodial staffing needs utilizing an objective, quantitative, multi-step process based upon the size and use of the facility. The process entails:

- Review of any existing district work and time standards for the various cleaning tasks within the school facility.
- Review of the custodial labor agreements to determine the number of work-hours within a negotiated workday and then reducing the workday by an off-task time allowance factor of 25%. Off-task time is defined as scheduled work breaks, interruptions, emergencies, etc.
- Obtaining floor plans of the facilities and inserting task data into the following matrix adopted from “*The Custodial Staffing Guidelines for Educational Facilities*” published by the Association of Higher Education Facilities Officers and “*Good School Maintenance*” published by the Illinois Association of School Boards to determine the total cleaning time for each facility.

TYPICAL SCHOOL AREAS	AVERAGE SIZE SQ. FT.	CLEANING TIME IN MINUTES
Cafeteria	10,000	150
Classrooms	1,200	15
Corridors	1,000	5
Entrances	112	5
Gymnasiums	10,000	45
Laboratories	324	20
Libraries/Music Rooms	15,000	30
Locker Rooms	1,960	25
Offices	1,200	8
Offices With Carpet	1,200	12
Restrooms	150	20
Shops/Art/Home Economics	1,200	30
Stairways	PER FLIGHT	8
Teachers' Lounges/Cafe	1,200	20
Auditorium	10,000	150
Multipurpose/Gym/Cafe	10,000	210
Multipurpose	2,400	40

NOTE: The average standard can be adjusted to reflect actual sq. ft. proportional to the standard sq. ft. for an activity.

- Dividing this total of minutes by the total work-hour minutes available (after adjusting by the off-task time factor). The result is the headcount needed to clean the facility.
- Comparing actual and theoretical employee counts to determine if any staffing adjustments can be recommended.

The review team completed the above analysis for the Jefferson Township School District to determine the staffing required to perform night cleaning and to establish daytime requirements for basic (statutory) boiler maintenance and porter services.

The district employs 22 full-time custodians. Utilizing the staffing analysis, LGBR determined that the district employs less than the average number of cleaning staff recommended by this study. Two of the custodians assigned to elementary schools are working only three hours per day in cleaning the schools, and are assigned to maintenance duties the remainder of the day. One is assigned as a painter, and the other is described as a warehouse worker. These dual responsibilities dilute the cleaning time allotted per day in the district.

Custodial supervision is lax and several of the buildings are dirty. The assignment of cleaning areas varies widely. This may be a result of the use of incorrect numbers when determining square footage for the district buildings. The square footage provided to LGBR was short by approximately 90,000 square feet.

Cost of Operations

One of the tools utilized in the review process is the NJDOE Comparative Spending Guide. This guide compares the per pupil costs of school districts in the state with comparably sized districts and those with like grade structures (K-12). Utilizing data for the three most recent years, the Jefferson Township School District average cost per pupil for operations and maintenance of plant ranked 21 out of 76 comparable districts. Salaries and benefits for operations and maintenance of plant ranked 23 out of the 76. (Ranked low cost to high cost.)

An additional analysis compares Jefferson Township with three districts that are similar in terms of type, size and socioeconomic factors. The complete comparison is included in a separate section of this review and is also based on information from the NJDOE Comparative Spending Guide. The school districts that were used for detailed comparison with Jefferson Township were Cranford, Mt. Olive and Roxbury Township.

Based on the comparison of per pupil expenditures for selected cost factors for the 1998-99 school year for the three districts, Jefferson Township's per pupil costs were 20 to 30% lower in the areas of operations and maintenance and salaries for operations and maintenance.

An additional tool used in the review process for identifying potential cost savings in the area of operational costs within the school district includes the following:

1. Perform a square footage analysis for the district and compare the cost per square foot against regional benchmarks and other school districts reviewed by Local Government Budget Review teams. For regional benchmarking, the review team utilizes the *American School*

and *University (ASU)*, a national publication for facilities, purchasing and business administration. The *ASU* performs annual maintenance and operations surveys of school districts around the country. It provides reports on the cost to operate schools [including payroll, outside contract labor, gas, electricity, heating fuel, equipment and supplies, etc.] on a regional level. Region 2 includes New York and New Jersey.

2. Identify and analyze budget lines and accounts that appear to be high in relationship to regional benchmarks and/or similar school districts.
3. Provide areas for cost savings based upon programs and/or efficiencies identified in other school districts or municipalities that may be applicable in the district of review.

The following table summarizes the Jefferson Township School District's cleaning, maintenance, grounds and utility costs per square foot for the 1998-99 school year:

CATEGORY	EXPENSE (\$)	EXPENSE (\$) SF	EXPENSE (\$) SF
	JEFFERSON TWP	JEFFERSON TWP	OCT 99 ASU
CLEANING			
Salaries	\$904,203.00	\$2.14	\$1.70
Overtime	\$127,533.00	\$0.30	\$0.00
Supplies	\$0.00	\$0.00	\$0.12
Contracts		\$0.00	\$0.00
Subtotal - Cleaning	\$1,031,736.00	\$2.44	\$1.82
MAINTENANCE			
Salaries	\$180,502.00	\$ 0.43	\$0.41
Overtime	\$28,887.00	\$ 0.07	\$0.00
Supplies	\$100,389.00	\$0.24	\$0.20
Contracts	\$540,001.00	\$1.28	\$0.25
Miscellaneous	\$96,312.00	\$0.23	\$0.05
Subtotal - Maintenance	\$946,091.00	\$2.24	\$0.91
Total Cleaning & Maintenance	\$1,977,827.00	\$4.67	\$2.73
GROUNDS			
Salaries	\$0.00	\$0.00	\$0.21
Overtime	\$0.00	\$0.00	\$0.00
Supplies	\$0.00	\$0.00	\$0.09
Contracts	\$0.00	\$0.00	\$0.03
Total- Grounds	\$0.00	\$0.00	\$0.33
UTILITIES			
Natural Gas	\$65,853.00	\$0.16	\$0.31
Electric	\$383,507.00	\$0.91	\$0.68
Water/Sewer	\$0.00	\$0.00	\$0.23
Other Fuel	\$2,895.00	\$0.01	\$0.24
Total Utilities	\$452,255.00	\$1.07	\$1.46
Total Maintenance & Operation	\$2,430,082.00	\$5.74	\$4.52
INSURANCE	\$60,200.00	\$0.14	\$0.11
GRAND TOTAL	\$2,490,282.00	\$5.88	\$4.63

Source: 1998-99 Comprehensive Annual Financial Report (CAFR)

Individual categories of expenses were difficult to extract from the account detail due to the inconsistent application of CEIFA Budget Guidelines. Purchase orders were charged to areas such as maintenance supplies and purchased professional services interchangeably. For the purposes of this analysis, assumptions were made based on vendor.

The overall costs for plant operations for the Jefferson Township school district are 26% higher than the average costs determined by the ASU survey. The following areas were identified as significant cost drivers for the district:

Salaries/Negotiated Agreement: Custodians are paid in accordance with Schedule E of the negotiated agreement between the school board and the Jefferson Township Education Association. Custodial salaries, as reflected in the chart above, exceed the ASU average by \$.74 per square foot.

The district began to negotiate money saving changes in the agreement over the past six years. The most significant of these is the addition of steps to the salary guides for both the custodial and the maintenance staff. The addition of steps from eight to ten will lower salaries as older personnel retire. However, realizing savings through this change could take many years. Fourteen of the 22 custodians employed during the 1998-99 school year were paid salaries at the top of the guide. While two had been with the district for 26 years, only six of the remaining custodians had been employed for more than 15 years.

In addition, the top step on the salary guide remains 12% higher than the county average, based on information taken from the New Jersey Salaries and Salary Guide, 1998-99 Edition, published by the NJEA.

The negotiation of a Tuesday through Saturday custodial shift provides coverage at the high school on weekends for activities without the expense of overtime.

The district is to be commended for the continuing efforts to control salary costs through the process of negotiations.

Vehicle and Equipment Maintenance: Maintenance of the vehicles and equipment utilized by the buildings and grounds personnel is provided by the transportation mechanics. Vehicle purchases are made through the Morris County Cooperative with Randolph Township serving as the lead agency.

Contracted Services: The contract between the district and the maintenance management company requires the vendor to provide, in addition to management and secretarial services, training, custodial supplies and equipment, professional consulting services, and computerized preventive maintenance and work order systems.

The LGBR team did not find the same level of service provided to Jefferson Township as found in other districts reviewed that had privatized the management of maintenance services. Information that was requested from the director of buildings and grounds was not presented in a timely manner, and in several instances inaccurate numbers were submitted to the team.

The director does not provide adequate custodial supervision, and the assignment of cleaning areas is uneven, with one custodian assigned to 7,000 square feet and another with 15,000. In the case of two of the smaller elementary schools, two custodians are on staff in each school but one custodian works only three hours. The remainder of the day, these custodians work in the maintenance department.

In addition to management and secretarial services, the maintenance management company's contract includes the provision of custodial supplies and equipment. When asked, the director could not produce invoices or an inventory of supplies or equipment provided for the 1998-99 school year. Instead, it was suggested that approximately \$12,000 in supplies is purchased for the district annually.

Additionally, the director said that new equipment valued at 15% of the depreciated value of district equipment is purchased annually through the contract. The depreciated value of custodial cleaning equipment is not a typical requirement for audit or budget processes. When asked, the director could not supply a report containing this information.

Purchasing

The selection of vendors and the purchasing of supplies and services are the responsibility of the director of buildings and grounds. A major portion of the maintenance supplies and paper products are purchased through the Morris County Cooperative. However, there are several individual vendor accounts which total over \$10,000 each. These include services for fertilization and field repairs, fire alarm and public address system service, and maintenance and repair of the boilers. There is no quote or bid system in place in the department.

Recommendations:

The vendor, as an integral part of any new contract or renewal of services, should provide an accurate accounting of equipment and custodial supplies.

In addition, it may be cost-effective to re-negotiate the contract with the maintenance management company, eliminating the secretarial services and utilizing the transportation secretary part-time in this capacity.

LGBR further recommends that the costs associated with the current contract for maintenance management services be examined to determine if privatization is still cost effective for the district. Many of the services contained in the contract can now be obtained through the county cooperatives, such as custodial and right-to-know training, custodial supplies and equipment, etc.

TRANSPORTATION

The safe and efficient transportation of New Jersey's public and private school students has received increasing attention from the media, state and local officials, and taxpaying residents due to the escalating costs. There are numerous factors that can affect transportation expenditures including management's knowledge of transportation; employee salaries and benefits; terms of negotiated agreements; privatization; competition for services; quality of route and vehicle specifications; geography; and board policies. The LGBR review process examined the level of service provided to the students in the district as well as the costs of such services.

Transportation is provided to qualifying students under the provisions of N.J.S.A. 18A:39-1 through 25 which stipulates that elementary school pupils who live more than two miles from their public school or secondary pupils who live more than two and one half miles from their public school are entitled to transportation to and from school. In addition, the statute grants students attending a remote school other than a public school, operated not for profit, located not more than 20 miles from the pupil's residence, transportation within the requirements of the New Jersey Administrative Code, Title 6:21-1 through 2.7. State law restricts the cost of non-public transportation to a stated yearly amount (1997-98, \$675/1998-99, \$702/1999-00, \$707). If transportation cannot be provided for this amount or less, parents are reimbursed the legislated amount. State aid is provided to school districts for this mandated service.

There are several terms utilized to differentiate between students whose transportation to and from school is an expense recognized as necessary and therefore qualifying for state aid and those students whose services are provided for reasons of safety or other local conditions or policies. Students who reside a qualifying distance from the school are said to live "remote from the school house" or are termed "eligible" referring to state aid requirements.

"Courtesy" busing is defined as transportation of students who reside two miles or less from the school for elementary grades and two and one half miles or less for the secondary grades. Under state law, this transportation is unaided if provided. The term "courtesy" busing is used interchangeably with "safety" busing, "hazardous" busing and "ineligible" students, again referring to state aid qualifications.

Jefferson Township is a K-12 grade district located in Morris County. Encompassing approximately 42 square miles in one of the northern New Jersey lake regions, the geographic makeup of the district offers many challenges to pupil transportation. The township is crisscrossed by busy highways and roadways with many dangerous curves and blind intersections. In several of the lake communities, the roads are narrow and bus stops are located on dangerous curves.

Prior to 1972, the Jefferson Township School District included neighborhood elementary schools centered around the more populous areas in the township. However, over-crowding and predicted growth created a need for change. The township was divided in half and the three elementary schools in each section were re-organized to serve grade levels rather than

neighborhoods. This re-configuration of schools required extensive planning to develop new and cost-effective bus routes. The configuration of bus routes, and the resultant costs, will be discussed in another section.

Comparative Analysis

One of the tools utilized in the review process is a comparison of the cost of transportation in Jefferson Township with three districts that are similar in terms of type, size and socioeconomic factors. A complete comparison of district costs is included in a separate section of this review and is also based on information from the NJDOE Comparative Spending Guide. The school districts that were used for detailed comparison with Jefferson Township were Cranford, Mt. Olive and Roxbury Township. For the purposes of the transportation analysis, Cranford was excluded due to district makeup, i.e., primarily a walking district.

Based on the comparison of expenditures as a percentage of total budget for the 1998-99 school year for the three districts, Jefferson Township's costs were 6.8% of the budget, Mt. Olive 5.4%, and Roxbury 4.7%.

Driver salaries and the higher cost of special education transportation routes are factors contributing to the expenses in Jefferson.

District Operations

The district transportation department consists of a transportation coordinator, an assistant to the coordinator, a transportation secretary, 20 regular bus drivers, two van aides, substitute drivers, a master mechanic and two staff mechanics. Services for regular to and from transportation is provided by both contracted service and in-district operations. Special education routes are outsourced through joint transportation agreements with the Morris County Special Services School District (MCSSSD) and the Sussex County Regional Cooperative (SCRC). In addition, joint agreements with adjoining school districts and parental contracts are also utilized.

Route Contracts

In an effort to control costs through the years, the district has combined district and private operations. Jefferson Township solicits route bids on a regular basis, however the district is one of many in the state that receives bids from only one company, despite the fact that there are several bus companies in the area.

The bid specifications utilized are well written and the routes are tiered for efficiency.

Joint Transportation Agreements

The utilization of commissions and cooperatives is recommended as a source of efficiencies. Specializing in combining the needs of several districts into cost-effective routes, the role of these consortiums in pupil transportation in the State has grown tremendously. There are several commissions in the state that have purchased buses and are competing with the private contractors. The majority of these commissions and cooperatives, however, write specifications, generate route packages, and handle the bid process for contracted route services. Management fees are charged based on the total cost of the routes. Management fees vary from commission to

commission, with some fees as high as 7%. Management fees for route service through the two commissions processing Jefferson routes is 4%. Just as privatization should not always be viewed as a quick fix for all district transportation problems, cooperative services are not always the most cost-effective method for attaining routes. In order for both of these to be effective, care must be taken in both the presentation of the information and supervision of the final product.

Jefferson Township diligently assesses the services of the commissions, comparing costs, fees, and the ability of these cooperatives to aggressively seek out the most efficient route and district combinations. Rather than rely solely on the resident county commission, the district has utilized neighboring county's services as well. This has not only saved monies, but has meant shorter bus rides for special needs students.

Route Configuration

A major question during the school re-organization planning process in 1972 was what the impact would be on pupil transportation in the township. The administration determined that approximately \$300,000 would be saved in teacher salaries if the plan to set up grade level elementary schools was approved.

There were many factors considered before routing decisions were made. In addition to the costs, the impact on the families of the elementary school students needed to be considered. The route design, which was eventually approved, met the majority of the criteria and saved the district approximately \$280,000.

The design entailed "tiering" the combined high school and middle school runs with an elementary school run. The elementary run would pick up all of the kindergarten through fifth grade students in a given area and, through a timed route, deliver the students to first one elementary school, and then to the second, and finally to the third school.

The strategy of "tiering" bus routes is one of the methods utilized to increase efficiency and save transportation monies. Transportation efficiency in a public school district can be defined as "equal or improved services for fewer dollars." When runs are combined or tiered, each vehicle is assigned to a group of runs, thereby utilizing the vehicle for as many hours during the day as is possible, without compromising instructional time. The basic principle of this efficiency is:

- Yearly vehicle operational costs, i.e., lease or amortized cost, repair parts and labor, and insurance expense are stable, regardless of how many trips the vehicle is assigned during the course of the year. (Excluding fuel, driver salaries, benefits, etc.)
- When these operational costs are applied to Vehicle A for Year 1 at \$15,000 and that vehicle is assigned to only an elementary school run throughout the school year, then the operational costs for that bus run become \$15,000. Assuming that the bus was a 54-passenger vehicle and that it held a full student load, the operational per pupil cost would be \$277.78. The same vehicle assigned to runs for a high school, middle school and elementary school in the morning and afternoon produces a per run cost of \$5,000 or \$92.60 per pupil.

The successful preparation of “tiered” bus runs requires bell schedules sufficiently spaced to allow buses to pick up a full load of students in between trips to the schools. The bell schedules in Jefferson were aligned to accommodate both the academic day and the successful “tiering” of the bus runs.

District Drivers/Negotiated Agreements

Since the school re-organization, Jefferson Township has been reducing the number of bus drivers through attrition and contracting additional routes as needed with private companies. During the 1998-99 school year, the transportation department had 20 bus drivers on staff. Fifteen of these drivers had reached the top of the salary guide with an hourly rate of \$20.82. The number of drivers was reduced to 18 in the 1999-00 school year, with 12 at the top of the guide.

The district has negotiated several money-savings changes in the agreement over the past six years, beginning with a reduction in guaranteed hours from eight to four, and in the latest contract to three hours for drivers hired after 7/1/97. With this flexibility, the district can hire drivers without the expense of benefits.

In addition, there have been reductions in the pre-trip minimums and the “warm-up” and “clean-up” times for snow accumulation.

The area of negotiation that will have the greatest impact on district operations in the next several years is the addition of steps to the salary guide. The district has increased the number from three to eight, thus allowing for a general lowering of salaries as the older drivers retire.

The paid school year for the bus drivers includes 11 holidays, non-cumulative personal days, one personal business day and accumulating sick leave.

Recommendations regarding the negotiated agreement can be found in that section of this review.

Vehicle Purchases

The district operates 24, full-sized 54 passenger school buses. These vehicles are maintained in-house by staff mechanics. The vehicles are acquired through lease purchasing thereby minimizing capital outlay expenditures. Vehicles are retired on a planned schedule designed to reduce the maintenance costs associated with aging.

Vehicle specifications are non-restrictive and encourage competitive bidding.

Administration

The management of pupil transportation is too often relegated to inexperienced secretaries or ex-bus drivers whose only qualifications are knowledge of the area and bus routes. The job today requires an understanding of budgetary consequences and operational costs, as well as the ability to adapt to changing legislation and local district needs.

Jefferson Township's transportation coordinator has been with the district for 25 years. She is a certified transportation supervisor and has taught supervisory and driver training classes throughout the state. She has been able to make solid and informed recommendations to the administration and board because of her willingness to address all aspects of a changing field.

The transportation office does appear to be over-staffed for the size of the district. In addition to the transportation coordinator, the district also employs an assistant coordinator and a transportation secretary. The computerized record-keeping for vehicle maintenance is the responsibility of the master mechanic, and bus routing is computer generated.

Recommendation:

LGBR recommends that the transportation secretary be assigned additional duties within the business office. It may be cost-effective to re-negotiate the contract with the maintenance management company to eliminate the secretarial services and utilize the transportation secretary part-time in this capacity.

Route Costs

As a general rule, privatization of services is a recommended method of cutting costs. However, with an increasing number of districts throughout the state experiencing a lack of competition for pupil transportation bids, the costs of privatized services have risen dramatically. This trend extends into the services offered through the county commissions and cooperatives as well.

As Jefferson Township modifies its contractual obligations to the bus drivers, and improves other important aspects of the operation such as vehicle maintenance and purchases, the district is closing the economic gap with private vendors.

Prior to the above-noted management decisions, the district could not be competitive with the vendors given the advantages of operating without union influences and the ensuing costs. However, a recent district analysis demonstrated that, in some instances, savings of \$2,800 to \$3,000 could be realized by handling routes in-house rather than contracting them.

Due to this analysis, an additional bus will be purchased during the 2000-01 school year, allowing the department to cancel at least one of the more expensive route contracts.

LGBR commends the district for the efforts put forth in the area of pupil transportation. There is a history of adaptive strategies utilized to control costs without sacrificing student safety or parental needs.

Courtesy Busing

Courtesy busing is defined as transportation provided for students who do not meet the state profile for eligible students to and from school. As stated earlier in this review section, pupil transportation is governed by statute and school districts are provided with state aid for students who reside "remote" from the school.

Districts that transport students who live “less than remote”, or closer than the aided distances, are said to be providing courtesy busing. The districts which refer to this busing as “safety” or “hazardous” busing make the argument that a lack of sidewalks and/or busy roadways make it unsafe for students to walk to and from school. Of the 3,194 public school students transported during the 1998-99 school year, 933 were courtesy students.

LGBR recognizes the futility of recommending the abolition of courtesy busing, particularly in an area such as Jefferson Township where the schools are located in a rural area with few sidewalks. However, the statutes allow districts to charge parents or municipalities for the courtesy or safety busing costs, thus lightening the burden on the taxpayers.

Recommendation:

District officials should consider charging a fee for transporting the 933 students who are not eligible for transportation because they reside in areas under the mileage limits but who live along hazardous routes. Students who are eligible for free or reduced lunch cannot be charged for transportation. However, if the district assessed a nominal fee of \$50 per student, revenue of \$46,650 could be realized. Since the percentage of students who qualify for free and reduced lunch is 9% in the district, only the parents of approximately 850 students may be required to contribute.

Revenue Enhancement: \$42,500

LGBR further recommends that an annual assessment be made of hazardous areas to ascertain the continued need for safety busing.

Extracurricular Transportation

Transportation for field and athletic trips is provided through a combination of district services and private companies. If a trip can be scheduled such that district drivers can be utilized without disrupting their assigned to and from routes, then the negotiated agreement requires that a district driver be assigned. Otherwise, quotes are solicited from private contractors for these services.

The cost of extracurricular transportation totaled \$132,121 or 7% of the total transportation expenditures for the 1998-99 school year. This expense, however, does not appear to be driven by a cost factor within the transportation department, but rather a district decision involving the number of trips allowed per grade and per athletic team.

Non-Public Transportation

Students attending private or non-public schools are entitled to transportation under the same statute and guidelines that govern public school student transportation, i.e., elementary school pupils who live more than two miles from their school or secondary pupils who live more than two and one half miles from their school are entitled to state-aided transportation. However, such transportation must meet other requirements. One of these requirements limits the cost of transportation for non-public students to a mandated amount, which is determined by the state

each year. When the costs of transportation exceed this amount, the district must reimburse the parents for providing their own transportation to and from the non-public school. The amount of the reimbursement to parents is restricted to the statutory amount.

In addition, parents requesting non-public transportation for their children must file applications with the district by set deadlines, meet distance requirements, and have their children enrolled in a not for profit non-public school.

During the year of review, 1998-99, Jefferson Township provided transportation to 97 non-public students and paid aid-in-lieu of transportation to the parents of 77 students. Although the district reimburses a large number of non-public parents, the review team concludes that it is a reasonable expense.

Recommendation:

LGBR recommends that the district continue to assess applications for non-public school transportation on a yearly basis to determine if the number of families reimbursed for transportation can be minimized.

FOOD SERVICE

An extensive review was conducted of the district's food service program. This included interviews with the food service director and other personnel, visits to school kitchens and cafeterias to observe operations, and the analysis of various documents. A careful analysis was done of the financial records as reported in the Comprehensive Annual Financial Report (CAFR) for the years ending June 30th 1997 through 1999.

According to budget guidelines, if a district receives state and/or federal reimbursement for food service costs or collects fees from students for the cost of meals, the entire food service operation activity must be recorded in a separate enterprise fund and not within the general fund of the budget. Any contribution made by the board toward the food service operation is reported as a lump sum contribution transferred to cover any deficits. These costs should not be included elsewhere in the budget. Jefferson Township Board of Education appropriately records the operation. Enterprise funds are used to account for operations that are financed and conducted in a manner similar to private business enterprises with the intent that the costs of providing goods or services be financed through user charges.

The district has six production kitchens located in the high, intermediate, and four of the elementary schools. There are two satellite kitchens located in the Consolidated and Milton schools. Lunches and breakfasts are prepared in the high school's and Stanlick elementary school's production kitchens before being delivered to the satellite schools. School lunches, breakfasts, food for meetings and special functions are prepared in the production kitchens. Production kitchens generally provide higher quality meals and offer more flexibility to tailor meals to student preferences. However, full service kitchens are generally more costly and

require more staff than satellite kitchens. Jefferson Township currently charges \$1.85 for student lunches in the elementary schools and \$2 in the intermediate school and \$2.25 in the high school. Teachers and staff members can purchase lunch for \$3.15. The district is charging \$1 for breakfast in the elementary schools, \$1.10 for the middle school and \$1.30 for the high school. The lunch and breakfast prices are within state guidelines. Students can purchase a 10 meal ticket at a discount and receive five cents off for each meal.

Staffing for the food service program includes 39 employees, including 34 food service workers, four substitutes and one director. Twenty food service workers work more than 20 hours per week and receive full family medical benefits coverage. The average medical benefits cost for each food service worker is \$6,071. Nineteen food service workers work less than 20 hours and do not receive benefits. The hourly salaries for the food service employees range from \$11.84 to \$15.51 per hour. More than 13 food service workers receive longevity pay ranging from \$275 to \$725 a year. All food service workers receive 10 paid holidays and 10 paid sick days. Uniform and shoe allowances up to a total of \$150 are offered to the food service workers with the submission of the purchase vouchers.

An analysis of the district's food service labor costs for lunch and breakfast was conducted in accordance with standards and formulas used by the food service industry to assess the program's efficiency and productivity. Efficiency and productivity in a food program are determined by the service average Meals Per Labor Hour (MPLH) calculation. The average meals per labor hour is calculated by dividing the total average daily hours worked by the average daily meals (including breakfast and a la carte equivalents) served by a school. According to food service industry standards, a food service program should be able to produce at least 15 MPLH per employee. Any number below the standard number of 15 MPLH could possibly indicate that the district has a low productivity rate. The lower productivity rate indicates that the district has too many workers on the payroll or the workers are allowed to work too many hours. The average number of meals per labor hour for the Jefferson Township School District is 12.79. This is below the market goal of 15.

The review team conducted a cost-effective analysis for the district. The following table illustrates the district's expense versus income and its comparison with the market.

		% Cost Ranges		Over or (under)
	1998-99	vs. Income	Market Rate	Market Rate
Total Income*	\$995,242	100%	100%	
Cost of Goods*	\$457,825	46%	39% - 45%	1% - 7%
Payroll **	\$715,018	72%	40% - 45%	15% - 27%
Supplies & Materials	\$31,754	3%	4% - 5%	(1% - 2%)
Miscellaneous	\$44,271	4%	.2% - .1/2%	1.5% - 3.8%
Total	\$1,248,688	125%		

*Excluded USDA Commodities **Included employee benefits

The above table indicates that the total expense is 125% vs. 100% income, which means that the district has to contribute from tax sources 25% of the food service revenues. The cost of goods for Jefferson was 1 to 7% higher than the market and the labor cost for Jefferson was 15 to 27% higher than the market level for payroll costs. The unreported employee's benefits are included in this calculation. The respective costs of staff salaries and commodities are the two greatest expenses in the district's enterprise fund and, therefore, have the greatest impact on the cost-per-lunch. The reasons for the district's high labor costs are indicated in the MPLH analysis and the district benefit costs, as well as the high hourly wages.

Participation rates in Jefferson City were approximately 61% in school year 1998-99. Participation rates were calculated based on the average daily enrollment. The fact that a high number of children are participating in the lunch program indicates a good level of satisfaction with the program among students. A high participation rate can impact the kitchen's operating efficiency, benefiting the economies of scale in food purchases and preparation.

The following table illustrates the district's meal counts for school year 1996-97, 1997-98 and 1998-99.

Jefferson Township School District-Meal Counts				
		1998-99	1997-98	1996-97
School Lunch	Paid	235,397	220,089	213,520
	Reduced	19,323	17,427	16,251
	Free	25,398	29,297	26,392
	Total	280,118	266,813	256,163
Breakfast	Paid	20,619	16,153	16,599
	Reduced	3,524	2,965	2,089
	Free	10,638	11,195	9,730
	Total	34,781	30,313	28,418
Special Milk	Paid	26,615	26,939	23,449
	Free	1,610	1,141	1,429
	Total	28,225	28,080	24,878

The total lunch counts or number of participants have increased more than 9% between school years 1996-97 to 1998-99. The total number of breakfast participants for the same period has increased more than 22%.

The students in primary school have a 25-minute lunch and 30 minute play time, while the high school and the middle school students have 22 minutes with no playtime. The middle and high schools have seven sittings for lunches while the elementary schools have from one to three lunch sessions daily. During lunchtime, teachers serve on lunch duty to supervise the students. This is part of their responsibilities as listed in their contract. In addition to the teacher on duty, classroom aides are hired to work in the school lunchrooms.

The review team conducted a cost per meal analysis. The average cost per meal was calculated by dividing the total FY 1998-99 annual expenditures with adjusted unreported benefits by the total number of meals served for the year (including lunches, breakfast and a la carte equivalents.) Certain expenses such as repairs and depreciation were subtracted from the enterprise fund budget for this calculation. The cost per meal in Jefferson was \$3.09. This measure shows on average, how much it costs the district to make and serve each lunch (and lunch equivalent). Ideally, this cost should not be greater than the sum of the price charged per meals, plus the reimbursement per meal. The calculated difference between the cost and price per meal is \$.84 to \$1.24, which is the approximate amount per meal that the district subsidizes. Consequently, Jefferson Township charges less than the actual cost per meal, but it is the maximum charge recommended by the child nutrition program guideline.

Seven district-owned vending machines are located in the High School, Middle School, Cozy Lake, White Rock Briggs and Stanlick Schools. For school year 1998-99, the district had a profit in excess of \$110,000 from the vending business. Most of the vending profits are recorded and reported in the enterprise fund, except for those from the high school. The profits from the high school are split between the enterprise fund and the high school activity account. The high school used this profit for their special functions and activities. The vending machines contain juice products, soda and snack. The district makes about 40% profit from each vending sale.

Identification of a surplus or deficit of the food services enterprise fund is intended to determine whether the fund is self-sufficient and operating efficiently. The following table illustrates the actual profit and loss for the food service program for school years 1996-97 to 1998-99:

Food Service Program-Actual Profit and Loss			
	1998-99	1997-98	1996-97
Operating Revenues:			
Daily Sales-Reimbursable Programs:			
School Lunch Program	\$462,877	\$436,640	\$382,779
School Breakfast Program	\$23,712	\$18,089	\$14,274
Special Milk Program	\$5,506	\$5,630	\$5,021
Total Daily Sales-Reimbursable Programs	\$492,095	\$460,359	\$402,074
Non Reimbursable Programs	\$343,644	\$298,564	\$303,300
Total Operating Revenue	\$835,739	\$758,923	\$705,375
Non-Operating Revenue:			
State School Lunch Program	\$13,888	\$13,476	\$13,204
School Breakfast Program	\$18,255	\$17,138	\$14,677
National School Lunch Program	\$121,513	\$120,954	\$109,756
Special Milk Program	\$3,757	\$3,565	\$3,136
U.S.D.A. Commodities	\$19,676	\$34,137	\$102,730
Interest Revenue	\$2,090	\$1,387	\$1,787
Subtotal	\$179,179	\$190,658	\$245,290
Total Revenue	\$1,014,918	\$949,581	\$950,665
Operating Expenses:			
Salaries	\$599,677	\$562,507	\$534,877
Purchased Services	\$23,059	\$9,347	
Supplies and Materials	\$31,574	\$32,416	\$50,838
Miscellaneous	\$21,212	\$20,751	
Depreciation	\$3,882	\$3,180	\$3,180
Cost of Sales	\$477,501	\$454,763	\$517,944
Total Operating Expenses	\$1,156,905	\$1,082,964	\$1,106,839
Add: Employee Benefits Expense	\$115,341	*\$115,341	*\$115,341
Total Adjusted Operating Expenses	\$1,272,246	\$1,198,305	\$1,222,180
Net Income Before Board Contribution	(\$257,328)	(\$248,724)	(\$271,515)
Board Contribution	\$145,522	\$134,011	\$128,055
Net Income After Board Contribution	(\$111,805)	(\$114,713)	(\$143,460)
*Estimated benefits.			

The review team found that the employee benefits for the entire food service staff are not charged to the enterprise fund. In school year 1998-99, a total of \$115,341 for employee benefits was paid out from the general fund. This represents an unreported deficit totaling \$257,328 in the food service program operation.

The food program in Jefferson Township has been operating at a cumulative loss of more than \$700,000 over the past three years. This problem has been discussed previously at board of education meetings. Therefore, during the period of the review team visitations, the board has requested proposals to privatize the food service program for school year 2000-01. The team supports this idea with the following recommendations.

Primary Recommendation:

District officials should consider contracting the food service operation out with a private management company. Based upon the team's previous reviews of private food service contracts in other districts, the total cost including food, labor and management fee for a typical food service program ranges from \$1 to \$2 per meal. An average saving of approximately \$448,307 could be attainable by competitively contracting the total food service operation in the Jefferson Township School District.

Cost per meal for Jefferson Township	\$3.09
Maximum cost per meal from private management	<u>\$2.00</u>
	\$1.09

Number of meals served in 1998-99 (included lunches, breakfasts and a la carte equivalents)	411,291
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Total Cost Savings: \$448,307

Secondary Recommendation:

In the event that district officials should elect not to privatize the food service program, the following cost savings should be considered:

1. In order to meet the standard of meals produced per labor hour, the district should review the work schedule and determine the productivity of the food service workers. There should be consideration of reducing the number of work hours in the kitchen. According to the industry experience, 75% of the staff should work five hours or less per day. In order to meet the 15 MPLH goal, the district would need to reduce the total man-hours worked per day by 27 hours. The district could then have a saving of \$68,059 based on average hourly wages of \$13.85.

Cost Savings: \$68,059

2. New rules adopted by the State Health Benefits Commission on September 21, 1995, effective October 16, 1995, now permit school districts to set a higher workweek standard before an employee is considered "full time" and eligible for benefits. Currently the state employees must work a minimum 35 hours a week to qualify for free benefits. District officials should consider this change which, if implemented, could result in savings of \$87,104

Cost Savings: \$87,104

3. Increase the participation rate by offering more choices of hot meals a day, operating on a three-week menu cycle, reducing repeat entries and conducting periodic informal surveys of student preferences.

Revenue Enhancement: Undetermined

4. **The market hourly rate for the food service worker is between \$6 to \$7. The district should consider reducing the hourly wages when they hire a new employee.**

Cost Savings: Undetermined

5. **All benefit costs for all cafeteria workers should be reported in the Enterprise Fund.**

Total Secondary Recommendation Cost Savings: \$155,163

BOARD OF EDUCATION

The Jefferson Township School District is a type two district with a nine-member elected board of education. The board meets twice per month with a work session meeting and a regular meeting. In addition, the board holds special meetings for specific purposes. During 1998-99, there were a large number of special meetings to deal with the significant number of issues that developed during the school year. The board operates as a “committee board” as there are a number of standing committees composed of board members. In fact, the board meeting agenda is organized under the committee structure, with items read or introduced by the committee chairperson. The committees listed on the April 17th 2000 regular meeting agenda were finance, auxiliary services, personnel, and education. However, in addition there are a building needs committee, community relations committee, policy committee, technology committee, youth services committee, negotiations (JTEA) committee, and negotiations (JTAEA & JTSA.) committee. The superintendent, business administrator and/or assistant superintendent attend the committee meetings in an advisory capacity.

The review team observed three board meetings that were conducted in an organized and effective fashion. The public portion of each meeting was completed in less than an hour after which the board convened into closed session. There were two opportunities for public input during the meetings, first about agenda items and, toward the end of the meetings, about any other topic. During these meetings the board leadership endeavored to communicate with the public regarding any concerns, rumors, or scheduled activities of interest. A presentation was made at one meeting by an engineer to address parental concerns regarding the quality of air in some of the schools.

The review team interviewed each member of the board of education, as well as each central office and school administrator. Reportedly, during the “crisis in confidence” in 1998-99, the board became involved in micromanaging the district. There was a breakdown in the “chain-of-command” and many administrative functions were handled by the board president and/or other board members. With the emergence of the new management team in 1999-00, the atmosphere has improved and the board has somewhat reassessed its role and function.

Standing committees obviously have advantages and disadvantages both for the board and the administration. Committees provide a mechanism for dividing board functions and concerns into categories and for board members to devote time and talent to specific studies and reports on

school matters. Unless there is a clear delineation of role and function, there are some risks that committees will either infringe upon the policy functions of the full board of education or the administration of the school system. The superintendent is present at most committee meetings as lay committee members rely on the superintendent for communication, professional advice and information. In Jefferson Township, the business administrator and assistant superintendent also attend a considerable number of committee meetings.

Jefferson Township has a new management team with a new superintendent, business administrator and assistant superintendent and a committed and capable board of education, which serves without financial remuneration. However, frequent and numerous standing committee meetings, with the necessary preparations, data collections and follow-up activities, consume significant amounts of administrator time and energy, which could otherwise be directed toward daily school administration, supervision and instructional leadership. To avoid “burn-out” in the long run, administrators need free time during some evenings each workweek to rejuvenate their bodies and minds for effective performance during normal work hours.

Recommendation:

The board should consider whether ad hoc committees with a specific purpose and defined time lines could be more efficient than some standing committees. In an organizational setting sometimes there is a tendency for committees to become self-perpetuating and to continue from year to year long past the original need for study and/or report. Many districts find that defining the time lines of the committee activities often enhances the committee’s progress toward its goals.

The board should evaluate the necessity for the number of standing committees, the frequency of meetings and the proportion of administrative time needed for board activities, as contrasted to the amount of time needed for daily district and school leadership, staff selection and supervision, curriculum development, student activities, community relations, etc. It should be apparent that the review team is referring to a matter of balance and priorities in allocating limited administrative resources between board and school functions, as both are clearly important and indeed related.

Board Member/Superintendent Expenses

The district does not have a separate account to record board member expenses. The review team conducted an analysis of the miscellaneous account in order to identify the expenses incurred by the board members for the 1998-99 school year. It revealed that most of the expenses were paid for food (\$6,302), workshops and registration (\$14,292), postage (\$4,116), dues (\$1,146), subscriptions (\$1,588), travel (\$800), miscellaneous (\$7,320), and advertising (\$10,610). The team also determined that many expenses were incorrectly charged to this account, such as postage, advertising, etc. The board membership NJSBA dues (\$11,712), part of the miscellaneous expenses, were incorrectly charged in the “other purchased professional service” account. Even though the team can not identify the actual cost of the board member expenses due to the district’s incorrect expenditure coding, the team did not find any inappropriate use of funds.

The board does not issue credit cards. Five cellular phones were issued with one each to the superintendent, business administrator, board president, maintenance supervisor, and transportation department. The cellular phone expenses are discussed in more detail in the communications section. The board does not have a policy for board member expense reimbursement. However, the new business administrator is updating the board policies and the board member expense policy will be included in this update.

Recommendations:

- 1. The district should consider creating a new extended miscellaneous account to record board member expenses. The team realizes that this new expense account is not required by the Department of Education, but it would provide a clear picture of board member spending for the district's own information and monitoring.**
- 2. It is a good practice to have a policy for expense reimbursement. The board of education policy should include language appropriate to payment of legitimate expenses incurred by board members and district staff. Further, board policy should set limits for travel, lodging and meal expenses.**

III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately in this section. **Review team analysis and recommendations are presented in bold type in the following paragraphs.**

EDUCATION ASSOCIATION

The agreement with the Jefferson Township Education Association (JTEA), effective 1997-2000, covers teachers (defined as all certificated employees), specialists, nurses, part-time certificated teaching personnel and secretaries, custodians, maintenance, bus drivers, mechanics, cafeteria personnel and instructional aides as represented by the Association. The 52-page document contains 37 articles and 10 related schedules of specific terms and conditions in the appendix. This report will deal with those aspects of the contract that have productivity and/or financial implications for the school year 1998-99, which is the year being analyzed.

Work Year

The in-school work year for certificated personnel has a base of 186 days with the following additions and stipulations:

- two orientation days for new teachers;
- one orientation day for in-district teachers;
- two professional days;
- the 186 days are inclusive of all snow days necessitating school closing; and
- in the event that weather conditions require additional snow days and after the superintendent confers with the association, the days will be included within the constructed calendar.

In year two of this three-year agreement, there were two paid snow days for all support staff. In the third year, there were no paid snow days for support staff. The total number of annual paid days for each category is as follows:

Category	1998-99	1999-00
Basic Skills Improvement (part-time)	190	188
Instructional Aides	190	188
Cafeteria	196	194
Bus Drivers	196	194

Teaching Hours and Teaching Load

Middle school teachers are not assigned more than six teaching periods per day; however, middle school teachers may be assigned one extra teaching period per day in lieu of a non-teaching duty period.

Secondary teachers, not assigned to middle school, are assigned a maximum teaching load of 25 classes per week; however, secondary teachers may be assigned one extra teaching period per day in lieu of a non-teaching duty period.

Every elementary classroom teacher assigned to grades 1-5 is scheduled to have 175 minutes per week of preparation time, exclusive of the normal daily lunch break. Kindergarten teachers are allowed 150 minutes per week of preparation time, exclusive of the normal daily lunch break.

There are a minimum of three half days for parent-teacher conferences; however, kindergarten teachers have five half days for such conferences.

There was an increase of five minutes per year in the length of the teacher's workday in the second and third years of the contract for a total increase of 10 minutes per building.

Recommendation:

District officials are commended for extending the teachers' workday by 10 minutes over two years. There should be a follow-up to determine that the length of the instructional day for students is also extended in the respective schools.

Teacher Salaries

Schedule A-Teachers' Salary Guide - 1998-99

Year	Step	BA	BA+15	MA	MA+15	6 th Year
1	1	\$29,224	\$30,142	\$31,311	\$31,992	\$32,923
2	2	\$29,224	\$30,142	\$31,311	\$31,992	\$32,923
3	3	\$30,224	\$31,142	\$32,311	\$32,992	\$33,923
4	4	\$31,240	\$32,150	\$33,340	\$34,000	\$35,000
5	5	\$32,240	\$33,150	\$34,440	\$35,000	\$36,000
6	6	\$33,240	\$34,240	\$35,440	\$36,300	\$37,400
7	7	\$34,240	\$35,640	\$36,840	\$37,500	\$38,600
8	8	\$35,740	\$36,840	\$37,930	\$38,800	\$39,900
9	9	\$36,840	\$38,040	\$39,340	\$40,300	\$41,600
10	10	\$38,140	\$39,340	\$40,740	\$41,800	\$43,400
11	11	\$39,440	\$40,640	\$42,430	\$43,600	\$45,400
12, 13, 14	12	\$41,000	\$42,000	\$45,000	\$46,500	\$48,000
15, 16	13	\$43,490	\$44,840	\$47,340	\$49,300	\$51,400
17, 18	14	\$46,500	\$49,500	\$53,500	\$55,500	\$58,300
19, 20	15	\$51,000	\$52,830	\$58,400	\$60,300	\$65,700
21	16	\$56,800	\$58,830	\$64,450	\$66,550	\$72,420
Increment	Adjustment	\$700	\$700	\$700	\$700	\$700

At the beginning of the second year at the top of the guide, certificated staff receives longevity compensation.

In the above teachers' salary guide, it is apparent that beginning steps one and two are identical in the five columns with no salary increases in the second year. At the top of the guide there are "bubble" steps in the range of \$4,900 to \$7,200, which reportedly resulted from compressing the number of guide steps in previous years.

The review team obtained the following comparison of minimum and average salaries from the NJEA Research Bulletin A98-3/4/6, September, 1999, New Jersey Teachers Salaries and Salary Guides.

Beginning Salaries	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township
BA Minimum	\$29,224	\$35,780	\$33,200	\$33,039
MA Minimum	\$31,311	\$40,485	\$38,651	\$36,439
Average Salary	\$53,736	\$51,617	\$53,139	\$54,131

Recommendation:

Although the Jefferson Township average teachers' salary is comparable with the three comparison districts, it is equally obvious that the Jefferson BA and MA minimum salaries are \$4,700 and \$7,200 respectively below the average of the three comparison districts. Conversations with local educators revealed that Jefferson Township has been experiencing difficulties in recruiting and retaining new teachers. Consequently, district officials should place priority upon an increase in the early (beginning) steps on the teachers' salary guide, for the purpose of recruiting, selecting and retaining talented young teachers. Given the high average salary, the indication is that there are a number of people near retirement, which could offset this cost.

Under Schedule B, the contract lists hourly rates of \$16 to \$17 and stipends ranging from \$160 to \$3,088 for 55 high school and 21 middle school extra duty positions. Schedule C covers the athletic department with 29 high school and three middle school coaching titles with stipends from \$908 to \$6,174.

Basic Skills teachers are paid on an hourly basis in accordance with the following 1998-99 guide.

Schedule I- BSIP Salary Guide

Step	Hourly Rate
1	\$24.15
2	\$25.04
3	\$25.97
4	\$26.96
5	\$28.02
6	\$28.41
7	\$28.66
8	\$28.76

Instructional Aides

Aides working under 20 hours per week receive 10 sick days, any contracted snow days, school calendar and jury duty. Instructional aides working 20 or more hours per week receive benefits, 10 sick days, snow days as contracted, calendar, four family illness days, three personal days, with one day that is non-recreational.

Schedule J-Instructional Aides Salary Guides

Step	Kindergarten, Media & Transportation	Special Education Classroom	Assistant to (NI)* Teacher
1	\$11.18	\$11.50	\$12.64
2	\$12.32	\$12.32	\$13.52
3	\$12.75	\$13.16	\$14.48

*Neurologically Impaired Classes

Employment and Assignment

The contract sets forth credits for salary guide placement, notice of assignments within scope of certification, and voluntary and involuntary transfer notices and conferences.

Under district policy, employees are reimbursed for travel required in conjunction with their employment at the rate of \$.25 per mile. Mileage from residence to and from work site(s) is not reimbursable.

Salaries

The increased amount of money for the 1997-2000 contract was as follows:

Support Staff	3.9% for each year of the three-year contract.
Certified Staff	3.9% in year one. 3.8% in year two (1998-99). 3.7% in year three.
Extra-Duty Pay	1.0% each in years two and three.
Athletic Schedule	1.0% each in years two and three.

Summer Compensation:

Nurse for Summer Physicals	\$15 per hour
Guidance Counselor/SAC	\$25 per hour
Child Study Team member	\$25 per hour
Curriculum work	\$60 per day
Attendance/In-house Workshops	\$55 per day

The board will set salary steps for hiring, which will be the first step of guides for secretaries, custodians/maintenance and bus drivers.

Longevity

Longevity for non-certificated employees is awarded as follows:

Years*	Per Year	Five Year Maximum
16-20	\$525	\$2,625
21-25	\$625	\$3,125
26-30	\$725	\$3,625
31 on	\$775	-----

*Continuous years of service in Jefferson Township.

Effective July 1, 1997, BSIP and instructional aides were eligible for longevity. All support staff already receiving longevity at 10 years of service remain at the present rate until they reach 16 years on the above scale.

Longevity for certificated employees is awarded as follows:

Years*	Per Year	Five Year Maximum
16-20	\$450	\$2,250
21-25	\$500	\$5,000
26-30	\$600	\$3,000
31 on	\$700	-----

*Continuous years of service in Jefferson Township.

All certificated staff members who were receiving longevity as of June 30, 1997 continued at their current amount as listed above with no increase. No additional staff has been added to the longevity guide after June 30, 1997.

Certificated staff in their 2nd year at the top of the guide received 1.5% of the longevity guide listed below, in addition to the longevity payments they were receiving as of June 30, 1997.

Year 1998-99 Longevity

Step	BA	BA+15	MA	MA+15	Sixth Year
16+ Increment Adjustment	\$57,500	\$59,530	\$65,150	\$67,250	\$73,120
Longevity 1.5%	\$862	\$893	\$977	\$1,009	\$1,097
1997-98	\$58,058	\$60,118	\$65,823	\$67,954	\$73,912
1998-99	\$59,220	\$61,311	\$67,100	\$69,263	\$75,309

Employees who reach retirement eligibility status prior to the 26-30 year period, may at their option, indicate to the board their intention to retire and, thereby, receive the 26-30 year longevity payment.

Recommendation:

The longevity provisions of the Education Agreement are the most complicated of any that the review team has encountered in visitations to many other school districts. District officials should endeavor to negotiate simplified changes to any longevity provisions, which will require less time for calculation, recording and communication by central office staff.

As of October 1, 1999, longevity payments to certificated (teachers and nurses) staff totaled \$180,560. Longevity payments ranged from \$450 to \$4,732 annually. Of the 276 employees listed, 105 employees, or 38%, received longevity payments averaging \$1,720.

Payment for Unused Sick Days

The retirement allowance is computed at the rate on one day's pay for every four days of accumulated unused sick leave to the employee's credit at the end of the employee's full contracted year previous to the year of retirement. The compensation is at the daily rate of pay, which the employee earned in the full contracted year previous to the year of retirement.

Recommendation:

The district had a total of \$92,798 in unused sick leave payments to teachers in 1998-99. District officials should negotiate a CAP on the amount that an individual can receive for unused sick leave. As indicated below, the Supervisors' Agreement sets a \$10,000 CAP for unused sick leave payments. Also state employees have a CAP of \$15,000 for unused sick leave payments. Five teachers will receive individual payments that exceeded \$15,000 by a total of \$32,661 after July 1 2000.

Potential Cost Savings: \$32,661

Custodians and Maintenance

In the event an employee is called to work on an emergency basis, two hours call-in pay will be guaranteed on a straight time basis.

On unscheduled snow closing days, any staff required to report to work were compensated for two snow days for the 1998-99 school year, or they received compensatory time. The secretarial staff is required to report to work on snow closing days as directed by their supervisor.

Day custodians arrive at the regular time on snow days and night custodians are assigned by the administration to work either during the day or regular hours. The night shift consists of eight hours.

Custodial and maintenance salaries are paid in accordance with Schedule E.

Schedule E-Custodial/Maintenance Salary Guides

Step	Custodians	Maintenance	Maintenance Helper
1	\$11.25	\$13.75	\$12.58
2	\$11.72	\$14.02	\$12.82
3	\$12.50	\$14.30	\$13.25
4	\$13.00	\$14.58	\$13.85
5	\$13.50	\$15.15	\$14.75
6	\$13.80	\$18.81	\$17.05
7	\$15.20	\$19.54	\$18.54
8	\$17.35	\$20.60	\$19.69
9	\$19.90	\$21.80	\$20.45

Overtime work is offered to custodians and maintenance employees on a rotating seniority basis but is only offered to those employees who are permanently assigned to the building in which overtime work is required. Those employees receive time and one half for hours worked beyond the eight-hour day. Employees who are full time, i.e., 40 hours a week, are paid the rate of double time for any work done on Sundays or holidays. Employees who are employed for less than 40 hours a week are paid time and one-half for any work done on Sundays or holidays.

There is a 10 cents an hour increase for time worked while school is closed for summer recess. However, this increase does not apply toward any paid vacations or compensatory time taken during this time.

Holders of a boiler license (Black Seal) receive \$200 additional compensation per year.

Each member of the custodial staff is provided with four uniforms (two light shirts and two heavy shirts). Maintenance and grounds men are provided with six full uniforms. One set of foul weather gear (no overshoes) is provided in each elementary school building. Two sets of foul weather gear are provided in the middle and high schools. All maintenance and custodial staff are permitted as a shoe allowance to submit a voucher with proof of purchase for reimbursement up to \$74.

Bus Drivers and Mechanics

All current drivers are guaranteed a minimum of four hours daily. Auxiliary runs are also guaranteed four hours. The bus drivers are paid for any layover time under one-half hour.

Schedule F-Bus Drivers Salary Guides

Step	Level One	Level Two
1	\$16.86	\$18.55
2	\$17.53	\$19.29
3	\$18.21	\$20.04
4	\$18.92	\$20.82

The board pays a maximum of \$100 for physical examinations that are presently required by law.

The district determines on a seniority basis which routes are available for selection.

Bus drivers are allowed eight hours for employees hired prior to July 1 1997 and four hours for employees hired after July 1 1997 each school year as compensation for warm-up and clean-up time due to the accumulation of snow. This compensation is in lieu of compensation for the actual time required for bus drivers for the clean-up and warm-up as may, in fact, be required due to ice and snow.

Bus drivers are paid for any time spent on the road or other time when they are responsible for their bus due to a mechanical breakdown. The driver is not paid for any time when the bus is no longer in his responsibility, specifically when the bus is turned over to the garage for appropriate repair.

In the event an individual driver is called to or back to work after or before his assigned time of arrival or departure from his designated starting or stopping points, two hours will be guaranteed on a straight time basis. (Early dismissals, conference days, class or athletic trips and similar occasions are excluded.)

Mechanics are provided time-and-one-half for those hours worked beyond the eight-hour day. Mechanics are paid double time for any work done on holidays.

Schedule G-Mechanic Salary Guides

Step	Level One	Level Two
1	\$16.86	\$18.55
2	\$17.53	\$19.29
3	\$18.21	\$20.04
4	\$18.92	\$20.82

Mechanics are provided with five long sleeve shirts and five pairs of pants and are responsible for cleaning these pants and shirts. Upon presentation of the receipt of the purchase of required footwear, mechanics receive \$75 annual reimbursement.

Secretaries

The district has four classifications of secretarial/clerical employees, as reflected in the following salary guide.

Schedule D-Secretarial Salary Guide 1998-99

Step	Group I	Group II	Group III	Group IV
1	\$23,292	\$25,007	\$27,712	\$30,027
2	\$23,726	\$25,473	\$28,229	\$30,586
3	\$24,651	\$26,467	\$29,330	\$31,779
4	\$25,133	\$26,985	\$29,904	\$32,402
5	\$25,627	\$27,515	\$30,491	\$33,038
6	\$26,130	\$28,055	\$31,089	\$33,685
7	\$26,698	\$28,604	\$31,698	\$34,362
8	\$29,206	\$31,196	\$34,512	\$37,167
9	\$30,537	\$33,178	\$35,849	\$38,491
10	\$34,521	\$37,167	\$40,577	\$43,141

- Salaries may be fixed above this guide in consideration of experience, service, training or degree of performance.

2. Failure to be granted any yearly increase precludes that year from being credited for salary purposes.
3. This guide is based on 12 months and 40 hours per week. The salaries of employees working less than 12 months will be prorated.
4. Six full months or more of employment in Jefferson Township will be considered as full year for salary purposes.
5. Only service in present category is creditable, except in case of promotion an employee will be given credit for years of service commensurate with the same step on the guide of the new group.
6. Position titles are specifically designated in the contract to a particular group.

Cafeteria Staff

Cafeteria workers start each year with the same number of hours as the previous year. In the event that hours need to be changed, any upgrade in hours will go into effect immediately and any decrease will be subject to a 30-day grace period.

Schedule H-Cafeteria Staff Salary Guide

Step	Cafeteria Work	Van Driver	Cook/Baker
1	\$10.82	\$11.89	\$12.48
2	\$11.84	\$13.03	\$14.28
3	\$13.14	\$14.48	\$15.51

As a clothing uniform allowance, each cafeteria staff member is permitted to submit vouchers not to exceed \$75 per school year for the purchase of clothing uniforms and \$75 for the purchase of shoes upon presentation of receipts.

Sick Leave

All 10-month employees are entitled to 10 sick leave days each school year and all 12-month employees are entitled to 12 sick leave days each school year as of the first official day of said school year. Sick days are prorated at the rate of one per month to the maximum entitlement.

Application for payment of sick leave in excess of three consecutive working days should be supported by certification from an attending physician.

Personal Days

Employees are entitled to non-cumulative personal days with full pay each school year.

1. Up to two days (one day for part-time certificated teaching personnel) leave of absence for personal business which requires absence during school hours. The leaves of absence are guaranteed for 10 itemized reasons.
2. One personal business day (one-half day for part-time certificated teaching personnel) is granted, without reason, for non-recreational purposes when the written application is submitted five days in advance.

3. For absence due to illness of any member of the employee's immediate family or household member, with the appropriate doctor's certificate the employee may receive full pay for not more than four days in each school year.
4. Up to five school days at any one time in the event of the death of the employee's spouse, child or parent. Up to three calendar days at any one time in the event of the death of an employee's sibling, in-law or grandchild.
5. Allowances are made for time necessary for appearance in any legal proceeding in which the employee's appearance is necessary in behalf of the school district, for jury duty as summoned and for any other reasons required by law.

Leaves of Absence

Unpaid leaves of absence are provided in the contract for military leave, family or child rearing leave, and for tenured employees up to two years leave for Peace Corps, VISTA, Exchange Teacher and other specified participation. A reservist called to active duty receives pay and benefits based upon current stature.

Sabbatical Leave

Sabbatical leave for one-half a school year or a full school year may be granted for formal study or formal research to a certificated employee who has rendered service in the school system for at least seven preceding active school years. Not more than one percent of the certificated personnel is granted sabbatical leave in any one academic year. Teachers receive 40% of their salary while on sabbatical leave. Employees granted sabbatical leave must return to the system and serve for at least one or two years following completion of the leave or have specified penalties imposed.

There were no requests for sabbatical leaves in 1998-99.

Professional Development

As an incentive for furthering education, the district provides course reimbursement of \$90 per credit to a maximum of \$900 per year. There is a pool of \$30,000 annually for JTEA course reimbursements.

Under delineated provisions, teachers, secretarial staff, instructional aides, custodial and maintenance personnel, bus drivers and food service personnel are eligible for reimbursement when the course(s) are approved and relate to their present assignment.

All credits must be taken in a college graduate program approved by the board, excluding correspondence, weekend, TV/video or non-traditional collegiate level graduate programs, including the Internet.

Professional development expenses for 1998-99 were \$13,484, with \$1,422 coming from entitlement grants and \$11,072 from other local district funding sources.

Health Insurance

The district provides full family coverage under the New Jersey Health Benefits Plan and family dental coverage.

The two parties agreed to the concept of single coverage for new employees for the first two years of the contract. This has been found to be unenforceable under the current health plan and is null and void for this contract. Both parties acknowledge that health benefits remain as a major item in the next negotiations.

An analysis of health benefits is presented in the Health Insurance section of this report.

Mentoring

A mentor must be a fully certified, full time, tenured teacher employed by the district. Mentor teachers are selected from a pool of volunteers who are experienced (as close as possible) in the field of the provisional teacher. Mentors are paid a stipend of \$550, which amount will be adjusted in accordance with state fees.

Holidays

Non-certified employees are given 10 paid holidays, which are listed. Cafeteria employees and bus drivers are entitled to 11 paid holidays.

Twelve-month employees are entitled to three floating holidays, two of which are to be assigned by the superintendent and the third to be chosen by the employee on any day that school is not in session.

Vacations

The 12-month non-certificated full-time employees are entitled to the following:

- After five years of continuous service-three weeks vacation.
- After seven years of continuous service-three weeks vacation, plus one day.
- After nine years of continuous service-three weeks vacation, plus two days.
- After 11 years of continuous service-three weeks vacation, plus three days.
- After 13 years of continuous service-three weeks vacation, plus four days.
- After 15 years of continuous service-four weeks vacation.

Effective July 1, 1997, the following applies to new employees:

1. For the first year of employment, vacation is prorated at the rate of one day per month.
2. For the first seven years of continuous service, employees are entitled to two weeks vacation.
3. After seven years of continuous service, employees are entitled to three weeks vacation.
4. After fifteen years of continuous service, employees are entitled to four weeks vacation.

ADMINISTRATORS' EDUCATION ASSOCIATION AGREEMENT

The agreement with the Jefferson Township Administrators' Education Association (NJAEA), effective 1997-2000, covers school principals, vice-principals, guidance director and director of special services. The 25-page contract contains a number of articles (such as recognition, negotiations procedure, grievance procedure, employee rights, association rights and privileges, evaluations, sick leave, miscellaneous, etc.), which are more procedural than economic. This report will deal with those aspects of the contract, which have more direct financial or productivity implications. Pertinent contractual provisions are summarized in brief outline form with attention to the 1998-99 salary guide, which is the year selected for financial comparisons with other benchmarks.

Employment and Assignment

Employees are notified of their contract status no later than the board meeting of May 15th of each year. Contracts are to be returned to the superintendent within 10 days either signed or unsigned.

Administrators are assigned only within the area or scope of their certification. Administrators with signed contracts are given written notice of assignments no later than the last weekday in May.

By board policy, employees are reimbursed for travel required in conjunction with their employment at the rate of \$.225 per mile. Travel to and from the residence to the workplace is excluded.

Salaries

The salaries of all administrators covered by this Agreement are set forth individually in Schedule A. In 1998-99, the six principals' salaries ranged from \$64,025 to \$109,824. The two vice-principals', guidance director's and director of special service's salaries ranged from \$61,920 to \$94,922. These totals included longevity payments of \$700 to \$900 in accordance with the following table:

Longevity

Years*	Payments Per Year
16-20	\$600
21-25	\$700
26-30	\$800
31-on	\$900

*Continuous years of service in Jefferson Township.

NOTE: Longevity does not apply to any employee employed on or after July 1, 1997.

Administrators who reach retirement eligibility status prior to the 26 and 30 year period, may at their option, indicate their intention to retire and receive the longevity payment.

Payment for Sick Days

For every four sick days accrued by the administrator, upon retirement only, one sick day is paid at the salary level earned by the administrator at the time of retirement.

Recommendation:

District officials should negotiate a CAP on the amount that an individual can receive for unused sick leave. As previously indicated, the Supervisors' Agreement sets a \$10,000 CAP for unused sick leave payments. State employees have a CAP of \$15,000 for unused sick leave payments. One administrator received a payment of \$33,748 in 1998-99 for unused sick leave. Two administrators are scheduled to receive in July 2000 individual payments of \$29,325 and \$26,230. These three payments exceed a \$15,000 CAP by a total of \$44,303. In other words, if the district had negotiated a \$15,000 CAP by 1998-99, it would have saved \$44,303 within two years.

Potential Cost Savings: \$44,303

Vacation Days

Within the time frames described below upon retirement or resignation, all administrators receive payment for up to 90 accumulated vacation days in their final salary, including June 30, 1997.

In 1998-99, the district paid 10 administrators a total of \$93,872 for unused vacation days. Two individuals received payments in excess of \$15,000, or \$19,559 and \$25,690 respectively.

Effective July 1, 1997, and notwithstanding any other position which has been asserted or may be asserted by the board, no administrator shall accrue more than five vacation days in any year or in total. Each administrator must use vacation days, or lose any such days not taken.

District officials are commended for limiting, effective July 1 1997, the accumulation of vacation days. Administrators have demanding positions that require significant time commitments weekly. Vacation days are for the purpose of rest and relaxation in order to return to work with renewed energy and enthusiasm for the work environment. Reserving vacation days for payment upon retirement does not conform to the true reason for providing vacation days and can become an expensive practice.

Any payments made in accordance with this provision are subject to the following conditions:

1. Total vacation day accrual payments to all administrators as a group in any one fiscal year are limited to \$100,000.
2. In case claims exceed \$100,000 in any fiscal year, the payments made for multiple claims are paid in equal amounts up to \$100,000 and the remaining payments are deferred into a later fiscal year.
3. At the individual's option, any administrator entitled to less than \$30,000 may request prior to retirement or resignation that this benefit is paid over a two-year period.

4. All claims must be presented by September 30 to be paid, conditions permitting, by July 15th of the next year. Otherwise, payment will be made by July 15th of the second fiscal year after the notice.

Sick Leave

All 12-month employees are entitled to 12 sick leave days as of the first official day of the school year.

Leave of Absence

Administrators are entitled to the same temporary non-cumulative leaves of absence with full pay each school year as the conditions described in the teachers' contract above, except that requests may be oral rather than written and are submitted to the superintendent.

Extended leave of absence without pay provisions for military leave, disability, childcare, etc., are the same as the teachers' contract.

Sabbatical Leave

Administrators with seven or more years of service in the school system may apply for a period of one semester or one full year. Not more than one administrator is granted leave in any one academic year. An administrator on sabbatical leave receives 50% of his/her salary during the leave.

There were no requests for sabbatical leave in 1998-99.

Professional Development

As an incentive for furthering education, the board assists administrators financially by providing reimbursement for professional courses in which the administrator enrolls in an amount not to exceed \$6,000 for the total administrative team.

The district pays full reimbursement for two administrators annually to attend professional workshops and/or national conventions. Administrators may be required to attend conferences and conventions for which they will be reimbursed.

Health Insurance

The district provides full family coverage under the existing health plan. If subsequently permitted by law or regulation governing the district's health insurance program, all new members would be eligible for single coverage only.

The board provides family dental coverage for administrators. The board also pays \$95 per year toward the contributory portion of the employee's life insurance coverage.

An analysis of health benefits is presented in the Health Insurance section of this report.

Miscellaneous

The board pays the county, state and national dues of members of the JTAEA. At their request, administrators receive one physical examination per year.

As professionals, administrators are expected to devote to their assignments the time necessary to meet their responsibilities. Administrators are granted 25 days vacation with pay per year.

The association recognizes the need for administrators to work on days when schools are closed to students. On these days, a rule of reason will prevail as each administrator is expected to use his/her best efforts to arrive at school as soon as safe and practicable. In cases of severe and prolonged inclement weather, the superintendent may by phone exercise discretion to relieve all administrators from being present at school.

The building principal is involved in all decisions affecting his/her school(s) except in emergency situations. It is understood that the superintendent, the board or their delegated representatives make all final decisions.

SUPERVISORS' ASSOCIATION

The agreement with the Jefferson Township Supervisors' Association (JTSA), effective for the three-year period 1997-00, covers subject area supervisors only. The 38-page contract contains many articles such as negotiations procedures, grievance procedure, supervisory employee rights, association rights and privileges, association-administration liaison, evaluations, continuity of operation, etc. Only those provisions with direct financial or productivity implications are presented here.

Work Year

The in-school work year for department chairpersons has a base of 186 days, which are inclusive of all snow days necessitating school closing, plus the following:

- Two days orientation for new chairperson(s).
- One orientation day.
- Two professional days.
- Four days after the close of school in June and before the opening of school in September.

Assignments

All department chairpersons are K-12 except for the Business Education chairperson for grades 6-12, who is also responsible for Art, Home Economics, Industrial Arts/Technology. The chairperson occupies a pivotal role in the operations of the department and the improvement of the educational program at the high school, middle school and in some cases grades K-5. The chairpersons report to the respective school principal(s) in matters involving the high school and middle school. The department chairpersons report to the assistant superintendent for matters involving the K-5 grades. The agreement contains a department chairperson job description.

Employment

Upon initial employment, up to full credit will be given on the salary schedule for previous outside teaching experience in a duly accredited school.

Employees are notified of their contract status no later than May 15 of each year and contracts are to be returned to the superintendent within 10 days either signed or unsigned.

Previously accumulated unused sick leave days will be restored to all employees who return from extended leaves.

All benefits that are provided in the latest Jefferson Township Education Association contract are extended to supervisors, except if specifically addressed in this contract.

All employees who have returned signed contracts are given written notice of their tentative assignments for class, subject, building and room assignments no later than the last day of attendance in June. Employees are notified in writing when assignments are changed due to altered circumstances or emergency. Certificated employees are not assigned to teach outside their areas or scope of teaching certificate.

Employees are reimbursed at the rate of \$.225 per mile for travel in conjunction with their employment. Mileage from the employee's residence to the first place of work for the day and from his last place of work for the day to his residence is not reimbursable.

Salaries

Salaries were increased 3.3% for five supervisors for the 1998-99 school year. A sixth supervisor received a salary increase of \$1,664 over the previous year. The seventh supervisor received a \$3,000 salary increase for 1998-99.

In 1998-99, department chairperson salaries ranged from \$57,669 to \$87,048, which included longevity increases of \$650 to \$750 as specified in the following table:

Longevity

	Years*	Payments Per Year	Five-Year Maximum
1	16-20	\$500	\$2,500
2	21-25	\$550	\$2,750
3	26-30	\$650	\$3,250
4	31-on	\$750	

*Continuous years of service in Jefferson Township.

Employees who reach retirement eligibility status prior to the 26 and 30 years, may at their option, indicate to the board their intention to retire and receive the longevity payment as provided by provision number 3 and 4 of the longevity scale.

Special Retirement Allowance

Any employee who has been a district employee for 10 years can become eligible for a special retirement allowance by submitting to the superintendent a written statement of intention to retire. If notice of retirement is given on or before September 30th of the retirement year, the allowance will be paid the following July 1st. If notice is given after September 30th of the retirement year, the payment will be delayed until July 1st of the following budget year.

The retirement allowance is computed at the rate of one day's pay for every four days of accumulated unused sick leave to the employee's credit at the time of the announced contemplated retirement. The daily compensation is the daily rate of pay that the employee earned in the year that the notice of retirement was given. For all employees hired after July 1, 1997, the maximum retirement allowance is \$10,000.

District officials are commended for setting a \$10,000 CAP on individual payments for unused sick leave.

Sick Leave

All 10-month employees are entitled to 10 sick leave days each school year and all 12-month employees are entitled to 12 sick leave days each school year as of the first official day of the school year. Sick days are prorated at the rate of one per month to the maximum of their entitlement. Application for payment of sick leave in excess of three consecutive working days requires certification from an attending physician.

Leave of Absence

Supervisors are entitled to the same temporary non-cumulative leaves of absence with full pay each school year as the conditions described in the teachers' contract above.

Extended leave of absence without pay provisions for military leave, disability, childcare, etc., are also the same as the teachers' contract.

Sabbatical Leave

Supervisors are eligible for sabbatical leave under the same conditions as administrators, except that they receive 40% of salary while on sabbatical leave. After returning from sabbatical leave, supervisors must remain employed with the district for a minimum of 10 months or forfeit the salary received while on sabbatical leave.

There were no applications for sabbatical leave in 1998-99.

Professional Development

A supervisor receives reimbursement according to the JTEA Agreement for up to nine credits per year to a maximum of \$900 per year at an approved college or university of his/her choosing. The total funds available for the group is \$2,700 annually. Other conditions remain essentially the same as the teachers' contract.

Health Insurance

The board provides full family coverage under the district health plan for all employees hired prior to July 1, 1997. All employees hired after July 1, 1997 will be provided single coverage by the district. However, if this clause is deemed unenforceable through the current health care carrier, it will take affect if the district obtains another health carrier. Any district employee who already receives full health insurance coverage and becomes a department chairperson maintains full family coverage.

The district also provides family dental coverage for employees.

An analysis of health benefits is presented in the Health Insurance section of this report.

Miscellaneous

There is an annual allocation of \$350 per member for use to attend a conference or workshop that is approved by the superintendent of schools. Individuals can voluntarily pool their allocation for the use of another association member.

HEALTH INSURANCE

In 1998-99, the district spent \$1.9 million on health insurance including medical benefits, prescription drugs and dental coverage. This report focuses on the 1998-99 school year because this is the most recently available audit. However, when LGBR recommends future changes in health insurance it uses the most recent information available concerning the number of employees, negotiated settlements and health insurance costs. This is done to account for the rapid cost and coverage changes that occur in the health insurance industry.

Jefferson participates in the State Health Benefits Plan (SHBP) with the prescription plan and has a dental plan with a private provider. Jefferson has been in the SHBP plan for years and is very satisfied with the cost and service provided. The district prides itself on providing timely and complete information to its members and keeping updated records. For example, the district obtained detailed plan books for each type of coverage offered in the SHBP. Normally, the SHBP provides only summary information. In addition, the district periodically holds health fairs explaining traditional and alternative plan benefits, when and how to change coverage, etc. The district also surveys members each year to identify whether or not any changes have occurred in their coverage such as dependent children getting married or moving out to live independently, and deaths of members or dependents. By periodically updating records, the district helps to keep coverage accurate and costs may be lowered.

The team commends the district on completing an annual survey of plan members to ensure current coverage is accurate and providing detailed information to members through health fairs and brochures.

The district pays the full costs for dental coverage. It costs anywhere from \$372 per year for single to \$1,068 for family coverage. Total annual cost to the district is about \$314,000.

The review team compared the district's total health care cost per employee to our comparison districts (none of which are in the SHBP). The purpose of this comparison was to see how the overall costs of coverage, including broker fees, compared to districts with similar socioeconomic conditions and student population size. The review team did not address any differences in procedures covered, limitations in coverage, deductible and co-pay amounts, quality of providers, in and out-of-network options, etc.

The comparison of Jefferson's total health insurance costs with the selected districts indicates that Jefferson's cost is very low. The team used two different cost amounts because in the year reviewed (1998-99), Jefferson received a one-time reduction in premiums. The reduction equaled two months or 16.7% of premium charges. Because costs were not "normal" in the year reviewed, the team shows two costs. One is the "actual costs" which are the unusually low expenditures in 1998-99. The other cost is an "adjusted cost," which adds back an amount equal to two months of premium and reflects a more normal cost for Jefferson. In both cases, however, the district comes out with a favorable comparison.

Using the "actual" costs (10 months of premium), the district's average cost per employee is \$3,848 (see table below). This is \$1,550 or 28.7% below the \$5,398 average cost for the comparison districts. Using "normal" costs (12 months of premium), the district's average cost per employee was \$4,617. This was still \$781 or 14.5% below the \$5,398 average cost for the comparison districts. If Jefferson's costs (using 12 months of premiums) had equaled the average of the comparison districts, its cost would have been \$377,874 higher.

Comparison of Health Insurance Costs 1998-99

District	Jefferson Township	Cranford Township	Mt. Olive Township	Roxbury Township	Three District Average
Number of Employees*					
Certified	306	310	341	384	345
Other	178	143	222	239	201
Total	484	453	563	623	546
Actual Cost	\$1,862,211	\$2,296,347	\$3,521,207	\$3,034,224	\$2,950,593
Actual Cost Per Employee	\$3,848	\$5,069	\$6,254	\$4,870	\$5,398
Normal Cost **	\$2,234,743	\$2,296,347	\$3,521,207	\$3,034,224	\$2,950,593
Normal Cost Per Employee	\$4,617	\$5,069	\$6,254	\$4,870	\$5,398

*The number of employees was obtained from the CAFR and is not audited.

**12 months of premiums, i.e., without one-time reduction of two months of premiums.

Even though Jefferson's costs are low in comparison to the selected districts, the district continues to try to reduce them. In the most recent labor agreements, the district agreed to pay only for single coverage for new employees for the first two years of the contract. However, this was not permitted by SHBP. Instead, districts in the SHBP that want employees to share a portion of their health insurance costs must charge employees for a portion of their dependent care costs. The team identified that in the current year the district spends about \$1.3 million on dependent coverage. If the district negotiated an agreement that members with dependents would

pay 25% of their dependents' cost, the district would realize about \$312,000 in additional revenue. The average cost increase for such members would be about \$948. This is 1.7% of Jefferson's \$57,365 median teacher salary in 1998-99.

Recommendation:

District officials should consider negotiating to have employees pay 25% of the costs for dependent care. This would increase district revenue by \$312,000.

Potential Cost Savings: \$312,000

The district has additional opportunities to reduce health insurance costs. Currently, the district does not require employees to share the costs for dental coverage. Today, many employers share the costs of this coverage with employees. For example, the State of New Jersey requires employees to pay 50% of their dental coverage costs. If Jefferson negotiated a similar requirement, its dental cost would be reduced by 50% or \$157,049. The average increase per member would be \$390. This is 0.7% of the \$57,365 median teacher salary at Jefferson Township.

Recommendation:

District officials should consider negotiating to have employees pay half of the costs of their dental coverage. This would increase district revenues by \$157,049.

Potential Cost Savings: \$157,049

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery in an effort to highlight shared services already in place and opportunities for their implementation.

Municipal

Reportedly township and school district officials, while concentrating on their respective unique responsibilities, have maintained a good relationship for the past six or more years. Several members of the township council have served in the past as school board members and therefore are familiar with the services and conditions for school operations.

Jefferson Township has established a Municipal Utilities Advisory Commission for water and sewers. The township operates one sewage plant in the White Rock section and White Rock School is connected to that system. It is planned that Milton School will soon be connected to the township sewage system. The township contracts with a private firm to operate the White Rock sewage facility. The JT school district has three sewage plants with one each at the Jefferson Middle and adjacent High School, at Cozy Lake School and at Stanlick School. The district contracts with two separate private companies to operate the respective sewage plants. The other two public elementary schools, i.e., Consolidated and Briggs, have septic systems.

Recommendation:

Since the operation of sewage plants is a somewhat expensive and common endeavor, township and school officials should consider exploring any potential cost savings through cooperative arrangements for operating the four sewage plants in the two public entities.

While the township provides some assistance with snow plowing in opening schools after storms, the school district contracts for private snow plowing. The Jefferson Township Department of Public Works awarded to a private contractor a snowplowing contract that included a price for the school district to use five vehicles on an as “needed basis.” The geography of the district with circuitous, inclined and elevated roads places heavy demands upon the township to maintain safe driving conditions. Reportedly the school transportation coordinator works closely with township officials to coordinate road conditions and school bus transportation.

The school district uses the township garage for the maintenance and repair of school buses and other vehicles. The township uses the first five bays of the garage and the school district uses another three bays. The township has one mechanic and the school district has three mechanics.

The Jefferson Township School District owns about 20 buses, two trucks, several tractors and mowers and a cafeteria delivery vehicle. By the joint use of the municipal garage, the school district reportedly saves about \$72,000 annually in rental costs.

Jefferson Township purchases gasoline through the Morris County Purchasing Cooperative and the Jefferson Township School District bus and vehicle drivers utilize cards to access the township pumps. The school district is billed quarterly by the township for the gasoline, which school vehicles use. The Cooperative also provides a mechanism for purchasing about 48 other types of products and services, including office supplies, road materials and vehicle and heating fuels. Reportedly, the school district purchases paper through the County Purchasing Cooperative, while the township shares road salt, etc., with the school district.

The Jefferson Township Police Department is very helpful in assisting school officials during any crisis situations and also on an ongoing basis. A grant for a project entitled "COPS in Schools" was obtained through a partnership agreement between the Jefferson Township Board of Education and the Jefferson Township Police Department. As the result of the grant, one police officer spends about 30 hours per week in the middle school and high school. With school and police administrators, teachers, parents and the school resource police officer working together, the police department hopes to provide early intervention into potential problems and build a safer and healthier environment for youth. In addition, the DARE program is offered in sixth grade in the middle school.

The Jefferson Township School District provides the white building wing of the Milton Elementary School for use as a township senior citizen center. The township recreation department uses school buildings and grounds extensively to offer a variety of activities after school and in the evenings. The township mows any of the fields, which are used for their recreational programs. There is a private day care program for young children in several of the schools. School fields and buildings are utilized heavily through written applications by many girl and boy scouting organizations, youth sports groups, PTA activities and other community organizations.

School Districts and Consortia

The Jefferson Township School District uses the Sussex County Regional Cooperative for the out-of district transportation of special education students. The district also participates in a joint transportation agreement with the Educational Services Commission (ESC) of Morris County. The Morris County Educational Services Commission was contracted to operate the Jefferson 1999 summer school programs for several weeks for Pre-K through 8 and for high school grades 9-12. The JT school district has entered an agreement with ESC for related services for 1999-00. Jefferson Township also sends a few high school students to the County College of Morris Area Tech Prep Consortium.

Jefferson Township is a member of the Northwest Consortium for Educational Staff Development, a group of six or more nearby school districts, who pay an annual fee and collectively organize staff training activities. The districts rotate the administrative responsibilities for collecting the revenues, paying the presenters and organizing three or four all-

day training sessions for a half dozen teachers from each school district. A private firm that specializes in curriculum, learning style theories, etc., provides the presenters for specified fees. The public school teachers return to the local districts as “teacher to teacher” to serve as turnkey trainers for other teachers. In 1998-99, the all-day topics included Inclusion, Brain Based Learning and Raising Student Expectations.

The Jefferson Township School District also does maintenance at a designated hourly rate on the Pequannock Township School District’s buses and those of the Sussex County Regional Cooperative.

The school district entered into a cooperative purchasing agreement for electricity generation services as a participant in the Alliance for Competitive Energy Service (ACES). By joining the electrical deregulation pool provided by NJSBA, there was an estimated savings of about 12% (7% + 5%).

The district has joined a pool (PIP) for workmens’ compensation insurance. The district is a member through the Indemnity and Trust Agreement of the Pooled Insurance Program of New Jersey, a consortium of school districts in Morris and Passaic counties.

Recommendation:

The Jefferson Township School District and the township are commended for their joint use of the township garage, which provides significant savings for local taxpayers, and for the generally positive and communicative relationship, which has been established. Nevertheless, the respective parties are encouraged to explore more fully the potential for cost savings and operational efficiencies which may exist by written agreement through the implementation of shared facilities, equipment and cooperative services between local governmental entities.

In addition to savings to be realized by joining services, there are two new state programs designed to encourage and reward local governmental units and their taxpayers for regionalizing, sharing and joining services with other units of local government. The Regional Efficiency Development Incentive Act (REDI) provides funds to local units to study the feasibility of joining services. The second program, REAP (Regional Efficiency Assistance Program), provides direct tax relief for any local government regional service agreement signed after July 1, 1997. These programs are administered by the New Jersey Department of Community Affairs (DCA), Division of Local Government Services. A school district that plans to study or implement a regional service agreement may apply for a grant and/or loan to study regional service or consolidation opportunities and to fund one-time start-up costs of regional or consolidated services by visiting the REDI Website at www.state.nj.us/redi or by calling DOE at 609-633-2454.

V. STATUTORY AND REGULATORY REFORM

The fifth and final section of the report, Statutory and Regulatory Reform, attempts to identify those areas where existing State regulations or statutory mandates are brought to the attention of the LGBR team by local officials which appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

All board of education members and key administrators were interviewed and given the opportunity to express their concerns regarding the various regulations that impact the public schools. District officials provided the following written summary of the most frequently expressed concerns.

As of the writing of this review, the outcome of Senate Bill 129, The Public School Facilities Funding Act of 1998, providing substantial state aid for school construction, is unknown but imminent. Inclusion in this legislation of funds for Jefferson Township is imperative to proceed with addressing the facility challenges of local student enrollment growth and the renovation of aging school buildings in a district that is rapidly expanding in overall residential population.

Local school officials believe that developers and builders should contribute by paying impact fees for the additional cost of schools, which results from the construction of new homes.

The State should pay for state mandates. There was an expressed concern that the state might mandate full-day kindergarten without providing adequate funding. New DOE core curriculum standards prevent program reductions or elimination.

State statutes and regulations prevent school boards from implementing many of the cost savings and efficiencies that are prevalent in business and industry. Some board members commented that the state imposes too many “rules” upon local school districts. The job of being a board of education member is made more difficult as many local citizens do not understand or believe that state regulations limit the discretion of the local school boards. Some board members believe that local citizens, aware of specific issues and circumstances related to their neighborhood schools, make better decisions most of the time than state level officials acting on their behalf.

State mandated programs with a relatively short time line for implementation, such as World Languages, have created shortages statewide for certified teachers. State officials make decisions and appear to have relatively little information about the impact of those decisions upon local school districts.

The state has set regulations for 100 hours of teacher training, yet the state has not provided sufficient funds to assist local districts in implementing this relatively new mandate.

Special education is a major program that has many state and federal requirements, but local districts receive relatively little state and federal moneys for implementing these very expensive programs.

LOCAL GOVERNMENT BUDGET REVIEW ACKNOWLEDGMENTS

Roland M. Machold, State Treasurer
Peter Lawrance, Deputy State Treasurer
Robert J. Mahon, Director, Local Government Budget Review Program
JoAnne M. Palmer, Deputy Director, Local Government Budget Review

Jefferson Township School District Review Team
Dr. George H. Daniel, Educational Team Leader
Local Government Budget Review

Pat Ickes, Local Government Budget Review
Dr. Gil Francis, Local Government Budget Review
Anita Lai, Local Government Budget Review
Dr. James Smith, Local Government Budget Review

Website address: www.state.nj.us/lgbr